

March 11, 2013

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2382 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2382 is respectfully submitted to your committee.

Current law allows tax liens to be attached only to real property. HB 2382 would allow tax liens on personal property. The bill would provide that when a warrant related to tax liens has been docketed with the clerk of the district court, the Secretary of Revenue would be required to file a notice of lien with the Secretary of State's office. The Secretary of State could not charge a fee for this filing. The notice of lien would then become a lien upon the title to and interest in the tangible personal property of the taxpayer against whom the notice of lien was filed. The lien would cease to exist ten years from the filing of the notice of lien, unless the Secretary of Revenue filed a notice of renewal of the lien with the Secretary of State's office. The lien could be extended an unlimited numbers of times.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	--
Expenditure	--	\$600	\$12,900	\$58,200
FTE Pos.	--	--	--	1.00

The Department of Revenue states that HB 2382 would increase State General Fund revenues by a negligible amount. The Department of Revenue also indicates that it would require \$12,900 from the State General Fund in FY 2014 to implement this new tax policy for the costs associated with changing forms and testing new programs. The required programming for this bill by itself, 400 hours of in-house testing would be performed by existing staff of the Department of Revenue. However, if the combined effect of implementing this bill and other enacted legislation

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exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required.

The Office of the Secretary of State would need 1.00 additional FTE position to carry out the requirements of this bill. The annual cost of the position including benefits would be \$45,000 beginning in FY 2014. The average yearly operating cost of \$300 would be primarily for computer and phone usage. In addition, one-time start-up costs would total \$600 in FY 2013. The fiscal effect on local governments is anticipated to be negligible. Any fiscal effect associated with HB 2382 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue
Rachel Sciolaro, Secretary of State's Office
Mary Rinehart, Judiciary