

February 4, 2021

The Honorable Adam Smith, Chairperson
House Committee on Taxation
Statehouse, Room 185A-N
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2130 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2130 is respectfully submitted to your committee.

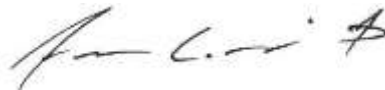
Under current law, if a city or county passes a budget that requires additional property taxes compared to the previous year, with certain exceptions, then the budget must be approved by voters. HB 2130 would allow the governing body of any city or county to increase property taxes, without voter approval, for expenses related to transportation construction projects.

The Department of Revenue indicates HB 2130 would have no fiscal effect on state property tax revenues. The Kansas Association of Counties and League of Kansas Municipalities both indicate the bill would provide local governments with an option for obtaining resources for transportation construction projects. The League notes that the bill may result in some cost savings from not having to hold an election for additional spending on transportation construction projects. Neither the Kansas Association of Counties nor the League of Kansas Municipalities were able to estimate a fiscal effect from the bill because the number of cities or counties who might choose to submit budgets using the provision is unknown.

The Kansas Department of Transportation (KDOT) indicates the bill has the potential to increase the demand for various transportation construction programs that local governments are eligible to participate in. Transportation construction programs offered or administered by KDOT that are available for local government participation include the Cost Share Program, Local Bridge Improvement Program, Economic Development Program, City Connecting Link Improvement Program, Modernization and Expansion Projects, Transportation Technology Program,

Transportation Alternatives Program, Access Management Program, Kansas Airport Improvement Program, Off System Bridge Program, High Risk Rural Roads Program, Rail Service Improvement Fund Program, and the Short Line Rail Improvement Fund Program. Any additional administrative expenditures associated with the potential increased demand for these programs would be negligible and could be absorbed within the existing resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Jay Hall, Association of Counties
Ben Cleeves, Transportation
Lynn Robinson, Department of Revenue
Wendi Stark, League of Municipalities