

February 23, 2012

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2635 by House Committee on Vision 2020

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2635 is respectfully submitted to your committee.

HB 2635 would allow a county where a technical college is established or is part of the college's service territory to levy a property tax and/or a countywide sales tax with all proceeds going to the technical college. The bill would allow the technical college to levy a rate of up to two mills of property tax and up to 1.0 percent in sales tax, or a combination of the two. The bill would allow the county commission to levy the tax by a resolution unless 5.0 percent of the qualified electors sign a protest petition to require a vote of the electorate to approve the tax increase. All of the revenue received by the county must be used for the support of the technical college, including buildings, equipment, and education programs.

The Department of Revenue indicates HB 2635 would have no fiscal effect on state revenues. The bill would allow counties to increase local taxes to support the operation of local technical colleges. It is unknown how many of the counties where technical colleges are located would increase taxes for this purpose; therefore, the fiscal effect on counties and technical colleges cannot be estimated. The Department of Revenue indicates that the costs associated with updating sales tax publications and information on its website, in the event that a county would increase its local sales tax rate, would be negligible and could be absorbed within existing resources.

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The Kansas Association of Counties indicates that the bill has the potential to increase costs for counties if a valid protest petition is filed that would require the county to conduct an election in order to approve the tax increase.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven J. Anderson, CPA, MBA

Director of the Budget

cc: Steve Neske, Revenue
Melissa Wangemann, Kansas Association of Counties
Kelly Oliver, Board of Regents