

April 13, 2015

The Honorable Marvin KleeB, Chairperson
House Committee on Taxation
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative KleeB:

SUBJECT: Fiscal Note for HB 2420 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2420 is respectfully submitted to your committee.

HB 2420 would provide that no ad valorem tax exemption for real or personal property granted after July 1, 2015, would be exempted from ad valorem property taxes levied by or on behalf of school districts.

According to the Kansas Department of Revenue, the bill would significantly increase revenues to the School District Finance Fund by levying a 20-mill tax on property that would be exempted from ad valorem taxation. However, not all exempt property is listed with county appraisers. The Department indicates that it has no data to estimate the increase the amount of revenue to the state with the enactment of HB 2420, but the amount of additional revenue would be significant. Any fiscal effect associated with HB 2420 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education
Jack Smith, Department of Revenue