

February 23, 2016

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

Dear Representative KleeB:

SUBJECT: Fiscal Note for HB 2701 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2701 is respectfully submitted to your committee.

HB 2701 would require information used to establish the fair market value of producing oil and gas leases for property tax purposes to be limited to production information prior to April 1 of the calendar year that the property is assessed.

The Department of Revenue indicates that HB 2701 would have no fiscal effect on state and local property tax revenues. The Kansas Association of Counties indicates that the bill has the potential to affect the fair market valuation of producing oil and gas leases by limiting the production information. However, the Kansas Association of Counties does not have the necessary data on this type of property to determine an estimate of the fiscal effect on local governments.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue
Jody Allen, Tax Appeals
Larry Baer, League of Municipalities
Melissa Wangemann, Association of Counties
Dale Dennis, Education