

May 9, 2017

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

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2424 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2424 is respectfully submitted to your committee.

Under current law, cities and counties cannot increase property tax revenues in any amount exceeding that of the next preceding year, after adjusting for consumer price index changes, without the approval of the majority of qualified electors. However, current law also gives cities and counties the authority to increase property tax revenues for certain reasons that are exempted from the approval of qualified electors.

HB 2424 would allow the governing body of any city or county to increase property tax revenues for the purposes of increasing employer contributions for social security, workers compensation, unemployment insurance, health-care costs, employee benefits plans and employee retirement and pension programs without the approval of qualified electors.

According to the League of Kansas Municipalities and the Kansas Association of Counties, HB 2424 would have a fiscal effect on cities and counties. Cities and counties would not be required to hold special elections to approve increases in property taxes when those increases would pay for certain increases in employee benefit costs. It is not possible to estimate how many fewer elections would be held and how much those elections would cost; the fiscal effect cannot be estimated. The Department of Revenue indicates HB 2424 would have no fiscal effect on state revenues.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Larry Baer, League of Municipalities
Melissa Wangemann, Association of Counties
Lynn Robinson, Department of Revenue