

SESSION OF 2017

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 146**

As Amended by Senate Committee of the Whole

**Brief\***

SB 146, as amended, would reauthorize the statewide 20 mill school finance levy for school years 2017-2018 and 2018-2019. The first \$20,000 of assessed valuation of residential properties would continue to be exempt from this levy.

Beginning in school year 2017-2018, any new property tax exemptions granted by the State Board of Tax Appeals for property financed by industrial revenue bonds (IRBs) or for economic development purposes (EDX) pursuant to Article 11, Section 13 of the *Kansas Constitution*, for which the public hearing was not held prior to May 1, 2017, would no longer apply to the statewide 20 mill school finance levy. Previously exempted property would continue to be eligible for exemption from the levy.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation. In the Senate Committee hearing, representatives of the Kansas Association of School Boards and the Kansas Association of Realtors provided proponent testimony. No opponent or neutral testimony was provided.

The Senate Committee amended the bill to prohibit new IRB and EDX exemptions from applying to the levy.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The Senate Committee of the Whole amended the bill to clarify that the prohibition on new exemptions applying to the levy would only apply to this levy and to specify the exemptions would only not apply if the public hearing for the exemption was held on or after May 1, 2017.

A fiscal note prepared by the Division of the Budget on the bill, as introduced, indicates enactment of the bill is reflected in *The FY 2018 Governor's Budget Report* and is estimated to generate \$635.5 million in FY 2018 and \$662.9 million in FY 2019. A fiscal estimate on the bill, as amended, was not immediately available.