

February 24, 2025

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
300 SW 10th Avenue, Room 548-S
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 90 by Senator Schmidt

In accordance with KSA 75-3715a, the following fiscal note concerning SB 90 is respectfully submitted to your committee.

SB 90 would create a local residential property tax exemption for the first \$100,000 of appraised value for owner-occupied homes. The exemption would apply only to local property levies not attributable to bonds or indebtedness as of July 1, 2025, and only to owner-occupied residential homes with an appraised valuation of \$350,000 or less in tax year 2026. The \$350,000 valuation limit would be adjusted annually based on average increases in appraised valuations by county.

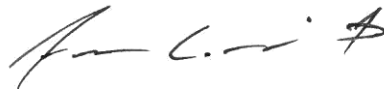
The bill would allow local governments to propose a ballot question to opt out of the exemption. If approved by two thirds of the local electorate, the local government would be allowed to fully opt out. If approved by a majority but less than two thirds of the electorate, the exemption could be reduced by half. Local governments would be required to resubmit this question to voters each year to remain excluded from the property tax exemption.

The Department of Revenue indicates enactment of the bill would have no fiscal effect on state property tax revenues. The Department indicates the bill would have no fiscal effect on its operations.

The League of Kansas Municipalities indicates that the bill would provide a net reduction to local tax collections that are used in part to finance local governments; however, the League is

unable to calculate a precise estimate of this effect. The Kansas Association of Counties indicates that the bill would have a negligible fiscal effect on county governments.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
John Hedges, Office of the State Treasurer
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities