

February 11, 2025

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2079 by House Committee on Taxation

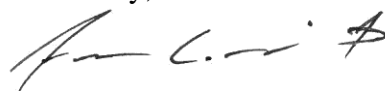
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2079 is respectfully submitted to your committee.

HB 2079 would place specific location restrictions on comparison sales used for valuing residential properties. Comparison sales could only be used if they are within the subdivision of a city or the township, or closest located subdivision or township where the property is located.

The Department of Revenue indicates the fiscal effect of HB 2079 on state and local property tax revenues cannot be estimated; however, the fiscal effect would likely be negligible. The bill would require some properties to be appraised using alternate approaches to the sales comparison approach; some properties would have higher valuations, while others would have lower valuations. The Department indicates the bill would have no fiscal effect on its operations.

The Kansas Association of Counties states that enactment of the bill could make it difficult to locate comparable sales in areas with fewer home sales, which has the potential to increase the cost of valuing these properties. The League of Kansas Municipalities indicates the bill has the potential to reduce property tax revenue because the bill redefines "fair market value" and how property valuation can be assessed. Any change in valuations could shift taxes from one class of property owners to another.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities