

February 19, 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 2133 by Representative Schwertfeger

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2133 is respectfully submitted to your committee.

HB 2133 would allow firefighters to receive a property tax exemption for one motor vehicle beginning on January 1, 2026. To qualify for this property tax exemption, the firefighter must possess or has been approved for the firefighter license plate.

Passage of HB 2133 would decrease property tax revenues by adding a new property tax exemption. The state funds directly affected by this bill are the two building funds, the Educational Building Fund (EBF) and the State Institutions Building Fund (SIBF). The Department of Revenue estimates this bill would decrease revenues to these two funds by \$17,685 in FY 2026 and by \$35,370 in FY 2027. Of those totals, the EBF is estimated to decrease by \$11,790 in FY 2026 and by \$23,580 in FY 2027, while the SIBF is estimated to decrease by \$5,895 in FY 2026 and by \$11,790 in FY 2027. The bill would also decrease revenues to any local government that levies a property tax.

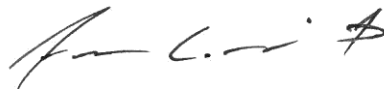
The Department of Revenue indicates that 12,486 firefighter plates were registered in calendar year 2024 that paid a total of \$2,585,582 in property taxes. The Department indicates that the average property taxes paid per motor vehicle that displayed the firefighter license plate was \$207 in 2024. The property tax reduction could be significant in small counties with large volunteer firefighter membership.

The Department of Revenue indicates that the bill would require \$14,000 from the State General Fund in FY 2026 to implement the bill and to modify the vehicle IT system. The required

programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2133 is not reflected in *The FY 2026 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill would provide a net reduction to local property tax collections that are used in part to finance local 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
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities