

February 20, 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:

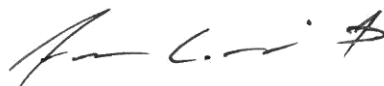
**SUBJECT:** Fiscal Note for SB 217 by Senator Corson, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 217 is respectfully submitted to your committee.

For tax year 2026, SB 217 would increase the property tax exemption from the statewide school levy for residential property from \$75,000 to \$110,000. For tax year 2027 and in each future tax year, the amount of the exemption would be adjusted to reflect the average percentage change in statewide residential valuation for the preceding ten years. The Director of Property Valuation at the Department of Revenue would be required to calculate the percentage change, as outlined in the bill.

According to the Kansas Department of Revenue (KDOR), the increase in the property tax exemption would reduce revenues to the School District Finance Fund by \$61.3 million in FY 2027, \$71.8 million in FY 2028, \$83.0 million in FY 2029, \$94.8 million in FY 2030, and \$107.3 million in FY 2031. Because the School District Finance Fund partially finances State Foundation Aid in the school finance formula, a corresponding increase to the State General Fund transfer to the School District Finance Fund (SDFF) would occur each year to fund the approved Base State Aid Per Pupil. This transfer is currently authorized in KSA 72-5133a when any increase to the property tax exemption occurs from the statewide school levy for residential property. KDOR also indicates that the enactment of the bill would require no additional administrative expenses. Any fiscal effect associated with SB 217 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Gabrielle Hull, Department of Education