

March 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 225 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 225 is respectfully submitted to your committee.

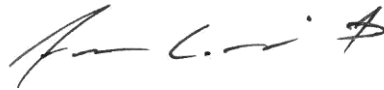
SB 225 would allow an owner of any homestead that is occupied as their primary residence to apply to the board of county commissioners, beginning in tax year 2026, to sell their homestead to the county for the amount equal to the appraised value of the homestead as set by the county appraiser in the tax year that the application is made. The owner of the homestead would not be eligible to apply to the county if there are any delinquent property taxes or if the owner has owned the homestead and occupied the homestead as the primary residence for less than 24 months. If there are more than one owner of the homestead, then all owners would be required to agree to sell the homestead to the county. After a qualifying application is received by the board of county commissioners, the county would agree to purchase the homestead for an amount equal to the appraised value of the homestead, enter into a sales contract with the owners, and complete the sale transaction, including payment, within 120 days of the application. Each board of county commissioners would be required to develop and make available an application form with instructions for homestead owners and provide a copy of the form to the county appraiser, county clerk, and county treasurer who would make the form readily available to homestead owners. The bill would define "homestead" as a dwelling that is occupied as a residence by the owner and could consist of a part of a multi-dwelling or multi-purpose building, or a manufactured home or mobile home.

The Department of Revenue indicates SB 225 would have no fiscal effect on state and local property tax revenues. Unless the county uses the homestead for exempt purposes, the properties

purchased by the county would remain on the tax roll at the current appraised value. The bill would have no fiscal effect on the operations of the Department of Revenue.

The Kansas Association of Counties indicates the bill would have an unknown fiscal effect on county governments. The fiscal effect would vary depending on how many properties that the county would be required to purchase under the provisions of the bill, how long the properties are held by the county prior to being sold, any costs to maintain the properties prior to being sold, transaction costs to sell the properties, and the selling price of the properties.

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