

January 22, 2026

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 319 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 319 is respectfully submitted to your committee.

SB 319 would allow an owner of a qualifying property that sold that property in a qualifying sale for a fair market value sale price that is less than 97.0 percent of the county's appraised value of that property for the tax year in which the sale occurred to apply for a rebate in an amount equal to the excess property taxes levied on that property. The application must be made to the county appraiser by December 20th of the year immediately following the year that the qualifying sale occurred. In the same application, the owner applicant could also apply for rebates for preceding tax years if the fair market value sale price is less than the county's appraised value of that qualifying property for each preceding tax year, but would be limited to the immediately preceding four tax years. The owner of the qualifying property would have to be the owner of record of each valuation date at issue through the date of the qualifying sale.

In the event that any property owner received a homestead property tax refund, the selective assistance for effective senior relief (SAFESR) credit, or any other property tax rebate, refund, or credit for that property for the tax year for which a rebate is sought, any and all amounts rebated, refunded, or credited would be excluded from the total amount of property tax levied and paid by the owner for that year for purposes of the rebate calculation. If the seller only paid a prorated amount of property taxes in the tax year that the qualifying sale occurred, then the amount of the rebate would also be prorated. Only one owner of the qualifying property per qualifying sale per tax year would be eligible for a rebate.

The county appraiser would review and consider the application, supporting documentation, county appraisals, and other relevant records and issue a written decision. In the event the applicant is aggrieved by the decision, the applicant would be allowed to appeal the decision to the Board of Tax Appeals within 30 days after the date of mailing or service of the decision. An application would be denied if the applicant intentionally altered the property or accepted less than fair market value for the purpose of receiving a rebate under the provisions of this bill. Upon a final decision of the county appraiser, the Board of Tax Appeals, or a court of competent jurisdiction granting a rebate and if no appeal is taken from that decision, the county treasurer would, as soon thereafter as reasonably practicable, provide the rebate to the applicant.

Upon making the rebate, the county treasurer would charge the fund or funds having received the original property taxes and notify all affected taxing districts. The bill would take effect for qualifying sales of qualifying property on or after July 1, 2026.

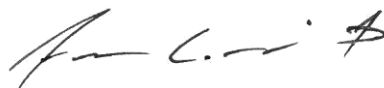
The Department of Revenue estimates that SB 319 would reduce state and local property tax revenue by unknown amounts. Less property tax revenue would also affect state expenditures for aid to school districts. To the extent that less property tax revenue would be available from the state's uniform mill levy to fund expenditures for school districts, the state would be required to provide additional state aid from the State General Fund through the school finance formula. Local governments that levy a property tax would also receive less revenue; however, the amount of reduced property tax revenues is unknown.

The Department indicates that the bill would require its Property Valuation Division to create standard rebate application forms. The costs to create and distribute these forms are estimated to be negligible and could be absorbed within existing resources.

The Board of Tax Appeals indicates the bill has the potential to increase filings if an applicant is aggrieved by a rebate decision of a county appraiser. However, it is unknown how many additional cases would be filed under the provisions of the bill. If the number of new cases is small, the additional administrative resources to review and rule on the rebate decision of a county appraiser would likely be negligible and could be absorbed within existing resources. If the number of cases is high or impedes other caseloads, supplemental funding may be requested from the State General Fund. Any fiscal effect associated with SB 319 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill has the potential to provide property taxes rebates to taxpayers under certain conditions. However, they do not have data to be able to provide an accurate estimate of the amount of property tax rebates that would be issued to make a precise estimate of the fiscal effect on local governments. The fiscal effect would vary by location, though not necessarily proportionally. There would also be potential unknown costs for county appraisers to review and approve applications, and for county treasurers that would be responsible for issuing the rebate to the applicant, charging each fund from each taxing district that received the original property taxes, and notifying all affected taxing districts.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Gabrielle Hull, Department of Education
Jonathan Roberts, Board of Tax Appeals