



February 9, 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 397 by Senator Warren, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 397 is respectfully submitted to your committee.

Under current law, a homeowner loses eligibility for a homestead property tax refund claim if the appraised valuation of the homestead subsequently exceeds \$350,000. SB 397 would allow a homeowner to participate in the homestead property tax refund program if the appraised valuation of the homestead exceeds \$350,000, if the homeowner previously received a homestead property tax refund on a homestead that had an appraised valuation not exceeding \$350,000. This homestead valuation provision would also be applied to the Selective Assistance For Effective Senior Relief (SAFESR) tax credit but would not apply to the Kansas property tax relief claim for seniors and disabled veterans. These changes would become effective beginning in tax year 2026.

Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	\$64,280	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$64,280	--
Revenues			
State General Fund	--	(\$90,000)	(\$95,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	(\$90,000)	(\$95,000)
FTE Positions	--	--	--

The Department of Revenue estimates that SB 397 would decrease State General Fund revenues by \$90,000 in FY 2027. The Department's Property Valuation Division reviewed appraised valuations of homesteads participating in the homestead property tax refund program and the SAFESR tax credit program. As a result of allowing certain homesteads to exceed the \$350,000 limit in appraised valuation in FY 2027, an additional \$35,000 in homestead property tax refunds would be claimed and an additional \$55,000 in SAFESR tax credits would be claimed. The fiscal effect on State General Fund revenues during subsequent years would be as follows:

	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Homestead	(\$35,700)	(\$36,400)	(\$37,200)	(\$37,900)
SAFESR	<u>(57,800)</u>	<u>(60,700)</u>	<u>(63,800)</u>	<u>(67,000)</u>
	(\$93,500)	(\$97,100)	(\$101,000)	(\$104,900)

The Department indicates that the bill would require \$64,280 from the State General Fund in FY 2027 to implement the bill and to modify the automated tax 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 SB 397 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Jay Hall, Kansas Association of Counties