



April 16, 2026

The Honorable Larry Alley, Chairperson
Senate Committee on Commerce
300 SW 10th Avenue, Room 159-S
Topeka, Kansas 66612

Dear Senator Alley:

SUBJECT: Fiscal Note for SB 526 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 526 is respectfully submitted to your committee.

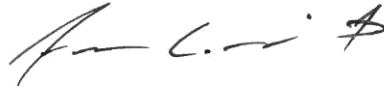
SB 526 would amend the sales tax exemption for the construction or remodeling of a qualified data center to require that a qualified data center be located on land that was zoned and classified for industrial or manufacturing uses on July 1, 2025, by a local zoning authority. This requirement would apply only to land that was subject to zoning regulations by a local zoning authority on or before July 1, 2025.

The Department of Revenue indicates that enactment of SB 526 would have no fiscal effect on state revenues. The Department further indicates that the administrative costs associated with implementing the provisions of the bill would be negligible and could be absorbed within existing resources. The Kansas Department of Transportation indicates that enactment of the bill would have no fiscal effect on the State Highway Fund.

The League of Kansas Municipalities indicates that enactment of the bill would increase expenditures for cities associated with zoning administration and planning review related to data center siting, and that the fiscal effect would vary depending on whether a city is actively pursuing or hosting data center development. However, the League was not able to provide a specific

estimate of the fiscal effect on city governments. The Division of the Budget has not received a response to the request for fiscal information on SB 526 from the Kansas Association of Counties.

Sincerely,

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

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Brendan Yorkey, Department of Transportation
Bruce Chladny, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities