

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2011

As Further Amended by House Committee on
Taxation

Brief*

HB 2011, as further amended, would increase, beginning in tax year 2026, the amount of the appraised value of residential property exempt from the statewide school finance levy from \$75,000 to \$100,000 and provide for future reductions to the statewide school finance mill levy.

The bill would require, beginning in tax year 2027, the mill rate to be annually adjusted downward to the rate that would generate 103 percent of the prior year's revenue, using the current year's total assessed valuation. In years where the total assessed valuation has not grown by at least 3 percent, no rate adjustment would be made.

The rate would be required to be calculated each year by the Director of Property Valuation, Kansas Department of Revenue (KDOR).

The bill would also require a transfer to be made from the State General Fund (SGF) to the State School District Finance Fund (SSdff) in the amount of any reduction of revenue to the SSDFF attributable to the reduction of the mill levy below 20 mills, as certified by the Director of the Budget. [Note: Continuing law provides for a comparable transfer on the basis of the residential exemption amount.]

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

Background

The bill was introduced by the House Committee on Taxation at the request of Representative A. Smith.

House Committee on Taxation

In the House Committee hearing on January 22, 2025, **proponent** testimony was provided by representatives of the Kansas Farm Bureau, Kansas Livestock Association, and National Federation of Independent Business. The proponents generally stated the bill would provide broad-based property tax relief for all Kansans that would be ongoing in future years.

Written-only proponent testimony was provided by representatives of the Kansas Association of Realtors, Kansas Grain and Feed Association, and Kansas Policy Institute.

Neutral testimony was provided by representatives of the Kansas Association of School Boards and Kansas National Education Association, who stated the bill would not provide for increases in school funding to account for rising costs of education in future years.

Written-only neutral testimony was provided by representatives of Topeka Public Schools, United School Administrators, and a private citizen.

Written-only **opponent** testimony was provided by a representative of Kansas Action for Children.

No other testimony was provided.

The House Committee amended the bill to:

- Require a transfer from the SGF to the SSDFF in the amount of foregone revenue attributable to any mill reduction; and
- Increase the amount of residential property exempt from the school finance levy.

On January 30, 2025, the House Committee recommended the bill be passed as amended.

On January 15, 2026, the bill was withdrawn from the House Calendar and rereferred to the House Committee on Taxation.

The House Committee further amended the bill to:

- Replace the decrease in the school finance mill rate in tax year 2026 with the formula providing for future rate decreases; and
- Make technical and conforming changes.

Fiscal Information

According to KDOR, enactment of the amended bill is anticipated to reduce SGF receipts by:

- \$38.7 million in FY 2027;
- \$60.4 million in FY 2028;
- \$83.6 million in FY 2029;
- \$108.3 million in FY 2030; and
- \$134.8 million in FY 2031.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Taxation; property tax; school finance