

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2440

As Recommended by House Committee on
Taxation

Brief*

HB 2440 would allow the property tax exemption for certain low production oil leases, as defined in continuing law, to be approved by county appraisers without requiring the owners of such leases to file an application for exemption with the State Board of Tax Appeals (BOTA).

Background

The bill was introduced by the House Committee on Taxation at the request of Representative A. Smith on behalf of the Kansas County Appraisers Association Oil and Gas Committee.

House Committee on Taxation

In the House Committee hearing on the bill, **proponent** testimony was provided by two representatives of the Kansas County Appraisers Association Oil and Gas Committee. The proponents generally stated enactment of the bill would reduce the administrative burden for county appraisers, simplify the process for effectuating a tax exemption that is already law without imposing a meaningful new burden on appraisers, and eliminate the filing fee expense for owners of the leases.

*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/>

Written-only proponent testimony was provided by a representative of the Kansas Independent Oil and Gas Association.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the BOTA estimates enactment of the bill would reduce revenues to the BOTA Filing Fee Fund by \$368,000 per year beginning in FY 2027, which would require an increase in its State General Fund appropriation to maintain current agency funding levels beginning in FY 2027.

The Department of Revenue estimates enactment of the bill would have no effect on state and local property or severance tax revenues.

Taxation; property tax; oil leases; exemption; Board of Tax Appeals