

March 16, 2011

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2352 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2352 is respectfully submitted to your committee.

HB 2352 would require that if a public utility files a property tax exemption application with the Director of Property Valuation, then the Director would be required to notify the county where the property of public utility is located and provide a copy of its recommendation upon filing the application with the Court of Tax Appeals (COTA). The Director would also be required to provide the county clerk with a copy of the exemption application. COTA would be required to notify the county appraiser of the request for exemption and the date and time of any hearings scheduled for the request. The county would be required to submit to the Director of Property Valuation its comments and recommendations with regard to whether the exemption should be granted or denied within 30 days. The county would be allowed to submit comments and recommendations to COTA and an opportunity to be heard on the matter. COTA would also be required to provide the county appraiser with a copy of any final order it issues related to the property.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$64,625	\$64,625
FTE Pos.	--	--	0.75	0.75

The Court of Tax Appeals estimates that HB 2352 would increase expenditures from the State General Fund by at least \$64,625 in FY 2012, which includes \$45,000 in salary and wages for an additional 0.50 Attorney FTE position; \$9,625 in salary and wages for an additional 0.25 FTE position for support staff; and \$10,000 in contract programming costs to update the

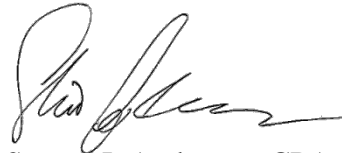
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computer system. COTA indicates that it hears an average of 37 public utility exemption requests per year and each case could involve one to all 105 Kansas counties. COTA estimates the cost of one case to be \$6,300 if all three notices were required to be sent to all 105 counties (\$60 for three notices x 105 counties). COTA indicates that the total costs for county notifications cannot be estimated because it is unable to determine how many cases would require notifications to be sent to all 105 counties. The Department of Revenue indicates that the bill would have no fiscal effect on its operations. Any fiscal effect associated with HB 2352 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Trevor Wohlford, Court of Tax Appeals