

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2403

As Amended by House Committee on Taxation

Brief*

HB 2403, as amended, would expand retroactively to tax year 2005 the statutory definition for "bed and breakfast home" to include certain residencies with ten or fewer bedrooms available for overnight guests. Qualifying property, which under current law is limited to residences with five or fewer bedrooms, is treated as residential property and assessed at 11.5 percent of fair market value for property tax classification purposes.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The original bill, which was supported by Representative Meier, would have broadened the definition to include those structures adjacent to main bed and breakfast homes and located on the same property or on contiguous land. The House Taxation Committee amended the bill to remove this provision and to increase from five to ten the maximum number of bedrooms for qualifying property.

A fiscal note on the original bill indicated that by virtue of the reclassification to residential of certain property currently being assessed and taxed as commercial real estate at 25 percent, there would be a "minimal" reduction in property tax receipts to state building funds (1.5 mills) and the mandatory school district general fund property tax levy (20 mills).

*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 <http://www.kslegislature.org>