

February 19, 2013

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2159 by House Committee on General Government Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2159 is respectfully submitted to your committee.

Under current law, all hearings before the Small Claims and Expedited Hearings Division of the Court of Tax Appeals (COTA) must be held in the county where the property is located or in an adjacent county. HB 2159 would allow hearings to be conducted by telephone conference call unless the taxpayer requests the hearing be held in person before the chief hearing officer. The bill would also provide an exception to the statute which requires hearings to be held in the county where the property is located or an adjacent when the hearing is being conducted by telephone conference call.

In addition, HB 2159 would allow the Court to impose a filing fee on taxpayers appealing residential property before the Small Claims Division. The bill would remove a requirement that the documents provided by a taxpayer or county or district appraiser at a small claims hearing be automatically returned; and would require that the documents be returned only upon request. The bill would also require a taxpayer to provide a good-faith estimate of value to COTA when appealing the valuation of residential or real property used for commercial and industrial purposes. Finally, the bill would stagger the dates in which the terms of the judges and chief hearing officer expire.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	\$12,500	--	\$25,000
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

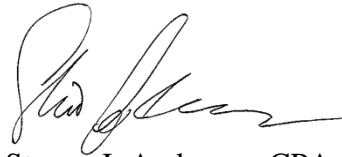
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The Court of Tax Appeals (COTA) estimates that the authority to assess a filing fee for small claims residential filings as established in HB 2159 would increase revenue to the COTA Filing Fee Fund by approximately \$12,500 in FY 2013 and \$25,000 in FY 2014 and each subsequent year. The Court bases its estimate on approximately 1,000 filings with a fee of \$25 imposed for each filing. The Court indicates that because the new fee could result in a reduction in the number of small claims hearings filed, it could see a decrease in its expenditures. However, the Court indicates that any reduction in expenditures resulting from the passage of the bill would be negligible. Any fiscal effect associated with HB 2159 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

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

cc: Jody Allen, COTA
Steve Neske, Revenue
Melissa Wangemann, KAC