

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2542

As Amended by House Committee of the Whole

Brief*

HB 2542, as amended by the House Committee of the Whole, would create a property tax exemption beginning in tax year 2014 for all amateur-built aircraft, manned or unmanned, used exclusively for recreational purposes, display purposes, or both.

The bill also would provide for a total of \$45 million of funding transfers in FY 2015 for the Local Ad Valorem Tax Reduction Fund (LAVTRF) program. A new mandate within the program would require local taxing subdivisions receiving LAVTRF distributions adopt budgets that reduce the preceding year's property tax revenues by 80 percent of the amounts received.

Background

The bill was introduced by the House Committee on Federal and State Affairs. At the House Taxation Committee hearing on the bill, testimony in support of the bill was provided by Representative Campbell and a private citizen. Written testimony in support of the bill was provided by the Aircraft Owners and Pilots Association. There was no opponent or neutral testimony.

The House Committee amended the bill to clarify that amateur-built aircraft includes both manned and unmanned aircraft.

*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>

The House Committee of the Whole amended the bill to include the LAVTRF provisions. Legislation enacted in 2014 had eliminated LAVTRF transfers for FY 2015. The FY 2015 fiscal note for this provision therefore would be \$45 million in additional transfers from the State General Fund.

The fiscal note on the bill, as introduced, indicated the bill would be expected to have a very nominal impact on state revenues.