

SESSION OF 2013

SUPPLEMENTAL NOTE ON SENATE BILL NO. 72

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 72, as amended, would provide a property or *ad valorem* tax exemption on all property owned and operated by a health club. The bill defines health clubs as facilities that provide cardio, weight training, or strength and conditioning equipment for physical fitness. It does not include clubs that are primarily intended as weight control facilities, health spas, dance studios; martial arts, tennis, racquet or basketball facilities; swimming pools; or golf clubs.

Background

Three proponents, representing the HealthRidge Fitness Center, Genesis Health Club, and Kansas Health and Fitness Association, provided oral testimony to the Senate Committee on Assessment and Taxation. A representative from Life Time Fitness provided written testimony in support of the bill.

The Senate Assessment and Taxation Committee amended the bill by striking language that would have exempted health clubs from collecting sales tax on membership dues.

The fiscal note from the Division of the Budget, as it pertains to the bill as amended by the Committee on Assessment and Taxation, indicates the property tax exemptions would reduce revenue to the Educational Building Fund and the State Institutions Building Fund by \$20,000

*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>

starting in FY 2014. The bill would also affect state expenditures for aid to school districts according to the uniform 20 mill levy. The Department of Revenue estimates the additional state expenditures for aid to schools would be \$200,000 in FY 2014.