

February 16, 2015

The Honorable Marvin KleeB, Chairperson
House Committee on Taxation
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative KleeB:

SUBJECT: Fiscal Note for HB 2070 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2070 is respectfully submitted to your committee.

HB 2070 would exclude property owned by the federal, state, and local governments from needing an order from the Board of Tax Appeals to receive a property tax exemption. The bill would not allow county appraisers to provide a property tax exemption for property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged, or remodeled with all or any part of the proceeds of revenue bonds without an order from the Board of Tax Appeals. The bill would also change incorrect references to the Court of Tax Appeals with the Board of Tax Appeals.

The Department of Revenue estimates that HB 2070 would have no fiscal effect on state and local property tax revenues. The Board of Tax Appeal indicates that governments are already exempted from paying filing fees for property tax exemption requests. The Board indicates that the bill would reduce staff time that is currently used to review property tax exemption requests from governments; however, the savings are estimated to be negligible. The League of Kansas Municipalities and the Kansas Association of Counties indicate that the bill has the potential to reduce costs for local governments that would no longer be required to file with the Board of Tax Appeals to receive a property tax exemption. Any fiscal effect associated with HB 2070 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jody Allen, Tax Appeals
Dale Dennis, Education
Jack Smith, Department of Revenue
Larry Baer, League of Municipalities
Melissa Wangemann, Association of Counties