

April 13, 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 2423 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2423 is respectfully submitted to your committee.

Under current law, a local board of education is required to levy ad valorem taxes on tangible property in the district at a rate of 20 mills. HB 2423 would increase the levy to 30 mills in the 2015-16 and 2016-17 school years.

Under current law, revenues from the 20-mill levy of ad valorem taxes are deposited in the School District Finance Fund in the Kansas Department of Education, which is distributed to school districts as state aid. According to the Kansas Department of Revenue, enactment of HB 2423 would increase revenues to the School District Finance Fund by approximately \$307.0 million in FY 2016 and \$314.0 million in FY 2017. The Department's estimates assume a growth rate in statewide property values of approximately 2.0 percent each year. Any fiscal effect associated with HB 2423 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue
Dale Dennis, Education