

April 27, 2016

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

Dear Representative KleeB:

SUBJECT: Fiscal Note for HB 2475 by House Committee on Taxation

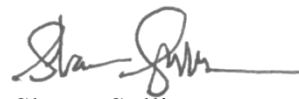
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2475 is respectfully submitted to your committee.

HB 2475 would clarify that all bioscience development districts and redevelopment districts established after June 30, 1997, cannot use the 20-mill statewide school levy to pay for eligible project costs. No tax increment attributable to the 20-mill statewide school levy would be calculated and deposited to the bioscience development district or redevelopment district established after June 30, 1997.

Redevelopment districts established after June 30, 2016, would not be allowed to use the school district capital outlay levy to pay for eligible project costs. No tax increment related to the capital outlay levy will be calculated and deposited to the redevelopment district fund in redevelopment districts established after June 30, 2016. However, in redevelopment districts established prior to July 1, 2016, the tax increment related to the school district capital outlay levy will be able to be used to pay for redevelopment district project costs.

The Department of Revenue indicates HB 2475 would have no fiscal effect on state and local property tax revenue. The Division of Property Valuation (PVD) at the Department of Revenue issues instruction to counties to remit the entire 20-mill statewide school levy to the State Treasurer without a tax increment to the redevelopment district if the district was established after June 30, 1997. If the counties are following PVD's instructions, the bill would have no fiscal effect on the statewide 20-mill statewide school levy. Any fiscal effect associated with HB 2475 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Bob North, Commerce  
Jack Smith, Department of Revenue  
Dale Dennis, Education  
Larry Baer, League of Municipalities  
Melissa Wangemann, Association of Counties