

February 9, 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 2477 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2477 is respectfully submitted to your committee.

Under current law, a motor vehicle cannot be registered if the applicant owes any delinquent personal property taxes for any previous year. HB 2477 would require that a motor vehicle cannot be registered if the applicant is also delinquent on real property taxes for any previous year, but not including delinquent real property taxes on the applicant's homestead. The bill would allow one motor vehicle to be registered for a business that owes real property taxes if the applicant verifies by affidavit that the applicant has no access to any other motor vehicle for personal or non-business use. These changes would be effective for motor vehicle registrations beginning on January 1, 2018.

The Department of Revenue indicates HB 2476 would have no fiscal effect on state property tax revenues. The Kansas Association of Counties indicates that the bill has the potential to increase property tax collections by requiring certain delinquent real property taxes to be paid in full before a motor vehicle could be registered. The bill would not create a new revenue source for counties, but would provide an expanded means to collect delinquent real property taxes. However, the Kansas Association of Counties does not have data to make a precise estimate of the additional real property tax revenues for counties that may result from the enactment of HB 2477.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue
Melissa Wangemann, Association of Counties