

February 8, 2016

The Honorable Larry Campbell, Chairperson
House Committee on Vision 2020
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Sloan:

SUBJECT: Fiscal Note for HB 2546 by House Committee on Vision 2020

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2546 is respectfully submitted to your committee.

Under current law, property taxes are required to be paid in full on December 20th of each year, or in equal payments on December 20th and on May 10th of the following year. HB 2546 would allow counties the option to allow property taxes to be paid in four equal payments on December 20th, February 10th, April 10th, and May 10th. Interest would be charged to any unpaid portion if the amount due is not paid by the date due.

The Department of Revenue indicates that HB 2546 would have no fiscal effect on the amount of property taxes collected, but could affect the timing of when property tax revenues would be distributed. The bill would allow individuals to pay property taxes in smaller increments, which could have the potential to increase the amount of property taxes collected. The amount of increased property taxes could be offset by lower interest earnings from additional payments being made by the date the property taxes are due. The Kansas Association of Counties indicates counties may incur additional expenditures if new procedures would need to be developed to accommodate the new payment schedule. However, the Kansas Association of Counties does not know how many counties would opt in to allow quarterly payments of property taxes to make a precise estimate of the fiscal effect associated with HB 2546.

Sincerely,



Shawn Sullivan,
Director of the Budget

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