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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

March 7, 2018

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

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2656 by Representative Hodge

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2656 is respectfully submitted to your committee.

HB 2656 would double the property tax levied on recreational vehicles with a selling price of more than \$100,000 beginning in tax year 2019.

The Department of Revenue estimates that HB 2656 would increase property tax revenues by increasing the property tax liability for certain recreational vehicles. The Department of Revenue does not have data on the number of recreational vehicles that would now have to pay double the amount of property taxes to make an estimate of the amount of the increase to property tax revenues. The bill would increase the amount of property tax revenues that would be collected for the two building funds, the Educational Building Fund and the State Institutions Building Fund. The bill would also increase revenues to any local government that levies a property tax. The bill would not have a fiscal effect on state expenditures for aid to school districts because recreational motor vehicles are already exempt from the state's uniform mill levy for education. The Department indicates that the bill would require \$4,570 from the State General Fund in FY 2019 to implement the bill and to modify the motor vehicle registration system. Any fiscal effect associated with HB 2656 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

Larry L. Campbell
Chief Budget Officer

cc: Chardae Caine, League of Municipalities
Melissa Wangemann, Association of Counties
Lynn Robinson, Department of Revenue