

STATE OF KANSAS



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

March 5, 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 2740 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2740 is respectfully submitted to your committee.

Under current law, the authorized property tax mill levy in school year 2017-2018 and 2018-2019 is 20.00 mills. HB 2740 would set the mill levy at 26.76 mills in school year 2018-2019, 32.82 mills in school year 2019-2020, and 38.43 mills in school year 2020-2021.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	\$234,900,000
Expenditure	--	--	--	\$234,900,000
FTE Pos.	--	--	--	--

As estimated in *The FY 2019 Governor's Budget Report*, the property tax revenues from the 20.00 mill levy for FY 2019 total \$670.3 million. According to the Department of Revenue, enactment of HB 2740 would increase revenues from the mill levy by a total of \$234.9 million. For FY 2020, the additional revenue from increasing the mill levy to 32.82 mills would total \$445.5 million. For FY 2021, the additional revenue from increasing the mill levy to 38.43 mills would total \$640.5 million.

The Honorable Steven Johnson, Chairperson

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All revenues collected by county treasurers from the school property tax mill levy is deposited in the state treasury and credited to the School District Finance Fund in the Department of Education, which is currently a “no-limit” special revenue fund. As a result, any additional revenues in this fund would result in a corresponding increase in state aid expenditures to school districts. Any fiscal effect associated with HB 2740 is not reflected in *The FY 2019 Governor’s Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell", written in a cursive style.

Larry L. Campbell
Chief Budget Officer

cc: Dale Dennis, Education
Lynn Robinson, Department of Revenue