

March 6, 2017

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 129 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 129 is respectfully submitted to your committee.

SB 129 would allow a county commission, which has established a redevelopment district that includes property located within a federal enclave, the ability to provide a property tax exemption for certain property owned by the redevelopment authority that is leased to a business. The property tax exemption would be allowed for up to ten years after the lease commences and the business must be involved in certain economic development purposes. The bill would take effect upon its publication in the *Kansas Register*.

Passage of SB 129 has the potential to decrease property tax revenues by adding a new property tax exemption. The state would receive less property tax revenues to the two state building funds, the Educational Building Fund and the State Institutions Building Fund. The bill would also decrease the amount of property tax revenues that school districts would receive through the state's uniform mill levy. The bill would also decrease revenues to any local government that levies a property tax. However, the Department of Revenue does not have data on the property that would receive a property tax exemption under the provisions of SB 129; therefore, an estimate of the amount of decreased property tax revenues and its effect on local and state revenues cannot be estimated.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education
Jody Allen, Tax Appeals
Lynn Robinson, Department of Revenue
Melissa Wangemann, Association of Counties