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

April 6, 2018

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 459 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 459 is respectfully submitted to your committee.

SB 459 would establish the Property and Sales Tax Review Study Commission. The Commission would be made up of 15 voting members and two ex-officio, nonvoting members. Commission membership would include:

1. The Chairperson of the Senate Committee on Assessment and Taxation, or the Chairperson's designee;
2. The Chairperson of the House Committee on Taxation, or the Chairperson's designee;
3. The Vice-Chairperson of the Senate Committee on Assessment and Taxation, or the Vice-Chairperson's designee;
4. The Vice-Chairperson of the House Committee on Taxation, or the Vice-Chairperson's designee;
5. The Ranking Minority Member of the Senate Committee on Assessment and Taxation, or the Ranking Minority Member's designee;
6. The Ranking Minority Member of the House Committee on Taxation, or the Ranking Minority Member's designee;
7. Two members of the Senate to be appointed by the Chairperson of the Senate Committee on Assessment and Taxation;
8. Two members of the House of Representatives to be appointed by the Chairperson of the House Committee on Taxation;

The Honorable Caryn Tyson, Chairperson

April 6, 2018

Page 2—SB 459

9. One member appointed by the Governor;
10. One member appointed by the President of the Senate;
11. One member appointed by the Speaker of the House;
12. One real estate attorney appointed by the Chairperson of the Senate Committee on Assessment and Taxation;
13. One certified or licensed real property appraiser appointed by the Chairperson of the House Committee on Taxation; and
14. Two ex-officio members, which would include the Secretary of Revenue and the Director of Property Valuation, or their designees.

The Commission would be required to (1) perform a comprehensive review and analysis of Kansas property tax structure and make recommendations of any necessary changes to the Legislature by January 1, 2021; and (2) perform a comprehensive review and analysis of Kansas sales tax structure and make recommendations of any necessary changes to the Legislature by January 1, 2023.

The Chairperson of the Senate Committee on Assessment and Taxation, the Chairperson of the House Committee on Taxation, or their designees would serve as co-chairpersons of the Commission. The Commission would be required to meet at least five times each year. Support for the Commission would be provided by legislative agencies. Any information needed by the Commission would be provided by the Department of Revenue, upon request. Members of the Commission would be authorized to receive compensation provided under KSA 75-3223 for attending meetings.

Assuming the Commission meets for at least five meetings in FY 2019, Legislative Administrative Services estimates the bill would require additional expenditures totaling \$37,353 from the State General Fund for the Legislature's budget in FY 2019. The estimate includes \$28,397 for legislator pay and travel costs, \$6,831 for non-legislator pay and travel costs and \$2,125 for a committee assistant. Similar expenses would be incurred by the Legislature the following fiscal year if the Commission meets at least five times in FY 2020. Any fiscal effect associated with SB 459 not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Chief Budget Officer

cc: Lynn Robinson, Department of Revenue