

April 17, 2019

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 235 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 235 is respectfully submitted to your committee.

Current law authorizes the statewide 20-mill personal property tax through the 2018-2019 school year. In addition, the law exempts the first \$20,000 of appraised value on residential property from the 20-mill personal property tax assessment in taxable years 2017 and 2018. SB 235 would extend the authorization for the 20-mill personal property tax through the 2020-2021 school year. The bill would also extend the authorization for the \$20,000 personal property tax exemption through tax year 2020.

In addition, current law considers Capital Improvement Aid as a revenue transfer from the State General Fund instead of a demand transfer; however, this consideration expires on June 30, 2019. SB 235 would have Capital Improvement State Aid remain a revenue transfer until June 30, 2022.

The Governor's recommendations for school finance presented in *The FY 2020 Governor's Budget Report* assumes that the current law for the 20-mill personal property tax, the \$20,000 personal property tax exemption, as well as considering Capital Improvement Aid as a revenue transfer would continue through FY 2022. For FY 2020, the Governor's recommendations include \$711.9 million from the 20-mill personal property tax and \$738.7 million in FY 2021. For the property tax exemption, the Department of Revenue estimates that the value of the \$20,000 exemption was approximately \$46.0 million in FY 2018.

Sincerely,



Larry L. Campbell
Director of the Budget

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