

February 28, 2022

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 548-S  
Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 513 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 513 is respectfully submitted to your committee.

SB 513 would provide a property tax exemption for certain property used as a thrift store. Qualifying thrift stores would be required to provide items free of charge or if selling donated items then the income or proceeds received from those sales would have to be used completely for literary, educational, scientific, religious, benevolent, or charitable purposes.

Passage of SB 513 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 513; therefore, a precise estimate of the amount of decreased property tax revenues and its effect on local and state revenues cannot be estimated. The bill would have no fiscal effect on the operations of the Department of Revenue.

The League of Kansas Municipalities and the Kansas Association of Counties indicate that the bill has the potential to decrease local property tax revenues that are used in part to finance local governments. However, they do not have a basis on which to estimate the amount of property taxes that would be exempt to make a precise estimate of the fiscal effect on local governments.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Wendi Stark, League of Municipalities  
Jay Hall, Association of Counties  
Craig Neuenswander, Education