

SESSION OF 2021

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 49**

As Recommended by House Committee on
Taxation

Brief*

House Sub. for SB 49 would re-authorize the 20-mill property tax levy for school years 2021-2022 and 2022-2023.

The bill would continue the exemption of residential property up to \$20,000 of appraised value from the 20-mill property tax levy for tax years 2021 and 2022.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of a representative of WATCO. As introduced, it would have extended the sunset on the single city port authority tax credit.

Senate Committee on Assessment and Taxation

At the Senate Committee hearing, **proponent** testimony was provided by a representative of WATCO.

Written-only testimony in support of the bill was provided by representatives of the Kansas Grain and Feed Association and the Kansas Cooperative Council.

There was no other testimony.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The Senate Committee amended the bill to reduce the extension of the sunset from tax year 2041 to tax year 2024.

House Committee on Taxation

At the House Committee hearing, **proponent** testimony was provided by a representatives of WATCO, the Kansas Agribusiness Retailers Association, and the Kansas Grain and Feed Association. Proponents stated the bill would make the continued operation of certain short line railroads economically viable.

Written-only **proponent** testimony was provided by a representative of the Kansas Cooperative Council.

There was no other testimony.

The House Committee amended the bill to remove the contents relating to the single city port authority tax credit and insert the provisions related to the statewide school finance levy, which were introduced in HB 2423. The amended provisions were recommended as a substitute bill.

HB 2423 (Statewide School Finance Levy)

House Committee on Taxation

At the House Committee hearing on HB 2423, **proponent** testimony was provided by representatives of the Kansas Association of School Boards and United School Administrators of Kansas. Written-only **proponent** testimony was provided by representatives of the Kansas State Board of Education. Proponents indicated the proceeds of the levy were necessary for school finance purposes and requested clarification of the applicability of SB 13 notice and public hearing requirements regarding property tax to school districts.

Neutral testimony on HB 2423 was provided by a representative of the League of Kansas Municipalities.

No other testimony was provided on HB 2423.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on HB 2423, revenues from the 20-mill statewide property tax are estimated to be \$752.4 million in FY 2022 and \$770.6 million in FY 2023. Enactment of the bill is reflected in *The FY 2022 Governor's Budget Report*.

Taxation; property tax; school finance