

February 27, 2024

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2728 by House Committee on Taxation

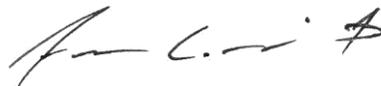
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2728 is respectfully submitted to your committee.

HB 2728 would place specific location restrictions when comparison sales are used as the criteria for valuing residential properties. Comparison sales would only be used if they are within the subdivision of a city or the township, or closest located subdivision or township where the property is located.

The Department of Revenue indicates HB 2728 would have no fiscal effect on state or local property tax revenues. The Department indicates the bill would have no fiscal effect on its operations.

The Kansas Association of Counties states that enactment of the bill could make it difficult to locate comparable sales in areas with fewer home sales, which has the potential to increase the cost of valuing these properties. The League of Kansas Municipalities indicates the bill has the potential to reduce property tax revenue because the bill redefines "fair market value" and how property valuation can be assessed. Any change in valuations could shift taxes from one class of property owners to another.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities
Gabrielle Hull, Department of Education