

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2002

As Recommended by House Committee on
Taxation

Brief*

HB 2002 would extend indefinitely provisions providing for state reimbursement of printing and postage costs incurred when county clerks are required to mail notices of proposed tax increases beyond the revenue-neutral rate. The bill also would extend indefinitely the transfer from the State General Fund to the Taxpayer Notification Costs Fund to reimburse the printing and postage costs.

Current law provides for the reimbursement and transfer through calendar year 2023.

Background

The bill was introduced by Representative Fairchild.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by Representative Fairchild, a representative of the Kansas Association of Counties, and a former county commissioner of Linn County. Proponents generally stated county costs associated with requirements mandated by the State should be reimbursed by state funds.

Written-only proponent testimony was also provided by representatives of the City of Overland Park, the Kansas

*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>

Association of School Boards, the Kansas County Commissioners Association, the League of Kansas Municipalities, the Unified Government of Wyandotte County and Kansas City, Kansas, as well as county clerks from Sedgwick and Cowley counties, county commissioners from Meade and Stafford Counties, the Riley County Board of Commissioners, a Sedgwick county manager, a city manager of Manhattan, and the Director of Treasury, Taxation, and Vehicles of Johnson County.

Opponent testimony was provided by a resident of Douglas County, who stated requiring counties to pay costs associated with raising taxes above the revenue-neutral rate provides accountability for imposing such increases.

Written-only neutral testimony was provided by a representative of the Kansas Policy Institute.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue indicates language relating to the revenue-neutral rate requirements would have no fiscal effect on state property tax revenue, but would result in a maximum State General Fund transfer of \$1.3 million in tax year 2024, which would occur in fiscal year 2025. The Department indicates future transfers could be higher, as the cost of printing and postage may increase. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Taxation; property tax