

February 17, 2014

The Honorable Sharon Schwartz, Chairperson  
House Committee on Agriculture and Natural Resources  
Statehouse, Room 149-S  
Topeka, Kansas 66612

Dear Representative Schwartz:

**SUBJECT:** Fiscal Note for HB 2628 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2628 is respectfully submitted to your committee.

HB 2628 would clarify the definition of “land devoted to agricultural use” for property tax purposes to include non-productive areas of an operating unit that are devoted to the production of crops and animals. The bill would also add language that nothing in the definition of “land devoted to agricultural use” would be construed to prevent a landowner, a tenant, or their guests from occasionally hunting and fishing on an agricultural track classified as land devoted to agricultural use.

The Department of Revenue indicates passage of HB 2628 has the potential to reduce property tax revenues by classifying certain property as land devoted to agriculture use. The Department of Revenue does not have data on the assessed valuation or the amount of property that would be reclassified to make a precise estimate of the amount of reduced property tax revenue; however, the overall reduction to property tax revenues is estimated to be negligible. The bill would reduce the amount of property tax revenues that would be collected for the two state building funds, the Educational Building Fund and the State Institutions Building Fund. Less property tax revenue would also have an effect on state expenditures for aid to school districts. To the extent that school districts receive less property tax revenue through the state’s uniform mill levy, the state provides more state aid through the school finance formula. The bill would also decrease revenues to any local government that levies a property tax.

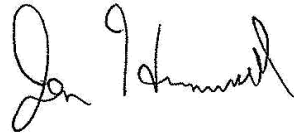
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The bill would have no fiscal effect on the operations of the Department of Revenue or the Court of Tax Appeals. Any fiscal effect associated with HB 2628 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and "H".

Jon Hummell,  
Interim Director of the Budget

cc: Steve Neske, Revenue  
Jody Allen, COTA  
Chris Tymeson, KDWPT  
Melissa Wangemann, KAC