

February 25, 2014

The Honorable Les Donovan, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Donovan:

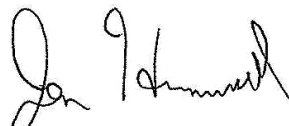
SUBJECT: Fiscal Note for SB 411 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 411 is respectfully submitted to your committee.

Under current law, the governing body of an extension district may make an annual tax levy upon all the taxable tangible property of the extension district for the purpose of raising funds to be used to plan and conduct the education extension programs of the district. Under SB 411, the budget would be set by county commissioners in the extension district. The budget and any change in the tax would then go through a public approval process. If there is a valid protest by 5.0 percent of the electors in the county, the change in the tax would go to a countywide election. If a change in the tax is approved, no action by the county commission would be required. If it was not approved, the county commission would remove the change in the mill levy.

Counties with smaller populations in Kansas have been forming extension districts in Kansas since the passage of the extension district law the early 1990's. To date, 45 counties have formed 16 extension districts. Small counties have sought the efficiency available to large counties by forming districts. This gave the districts sufficient resources to hire enough agents to provide specialized educational programming. SB 411 could affect joint agreements among counties for funding through district property taxes and could result in the loss of the existing economies of scale. This could lead to dissolution of the districts. Enactment of SB 411 would have no effect on state government unless extension operations were discontinued. That would reduce federal funding Kansas State University receives. The extent of any fiscal effect this bill may have cannot be determined without experience under the requirements of the bill. Any fiscal effect associated with SB 411 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Kelly Oliver, Regents
Melissa Wangemann, KAC
Karen Horton, KSU