SUPPLEMENTAL NOTE ON SENATE BILL NO. 410

<u>As Amended by Senate Committee on Natural Resources</u>

Brief*

SB 410 would remove a requirement that the Court of Tax Appeals (COTA) review and approve applications for a tax exemption for land and easements that are donated to the state for the construction or maintenance of a dam or reservoir. Currently, landowner donations of land and easements to the state may receive a 20-year tax exemption, provided the Chief Engineer of the Division of Water Resources certifies the donated land, the county appraiser determines the amount of the exemption, and COTA approves the exemption, for which a $400 fee is assessed for the COTA review. The bill would remove the requirement for the COTA review and assessment of the fee.

The bill would be in effect upon publication in the *Kansas Register.*

Background

The bill was introduced by the Senate Committee on Assessment and Taxation.

At the Senate Committee hearing on the bill, the State Association of Kansas Watersheds and the Marmaton Watershed Joint District No. 102, Bourbon County, provided testimony in favor of the bill. The proponents stated the $400 fee has become prohibitive and in some cases, more than the

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tax exemption would be over its 20-year lifespan on smaller parcels.

The Senate Committee amended the bill to clarify the bill's language and to make a technical change to the amended language.

The fiscal note provided by the Division of the Budget on the original bill states passage of the bill would have no fiscal effect on the operations of the Department of Revenue or COTA. The Kansas Association of Counties indicates the bill would require counties to review and approve property tax exemption requests, which would have a negligible fiscal effect on county budgets.