

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

March 7, 2018

The Honorable Steven Johnson, Chairperson
House Committee on Taxation
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2660 by Representative Hodge

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2660 is respectfully submitted to your committee.

HB 2660 would change the depreciation schedule for calculating the amount of future property taxes for motor vehicles valued at more than \$100,000. The depreciation rate would increase from 20.0 percent to 22.0 percent for motor vehicles valued at more than \$100,000. The additional amount of property taxes collected from the difference between the 20.0 percent and 22.0 percent multipliers would be deposited in the State General Fund.

The bill would increase the assessment rate on watercraft with an appraised value of \$50,000 or more from 5.0 percent of fair market value to 5.5 percent beginning in tax year 2018. The additional amount of property taxes collected from the difference between the 5.0 percent and 5.5 percent assessment rate would be deposited in the State General Fund.

The Department of Revenue estimates that HB 2660 would increase State General Fund revenues by increasing the property tax liability for certain luxury motor vehicles and watercraft. The Department of Revenue does not have data on the number of motor vehicles or watercraft that would now have higher property taxes to make an estimate of the amount of the increase to property tax revenues that would be deposited in the State General Fund. The Department indicates that the bill would require \$5,720 from the State General Fund in FY 2019 to implement the bill and to modify the motor vehicle registration system.

The Honorable Steven Johnson, Chairperson

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The Department of Wildlife, Parks and Tourism indicates that it does not have data on the number of watercraft with an appraised value of \$50,000 or more, and therefore is unable to provide an estimate of the fiscal effect of the bill. Any fiscal effect associated with HB 2660 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell", written in a cursive style.

Larry L. Campbell
Chief Budget Officer

cc: Chardae Caine, League of Municipalities
Melissa Wangemann, Association of Counties
Chris Tymeson, Wildlife, Parks & Tourism
Lynn Robinson, Department of Revenue