

March 9, 2022

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 548-S  
Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 503 by Senate Committee on Federal and State Affairs

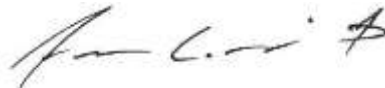
In accordance with KSA 75-3715a, the following fiscal note concerning SB 503 is respectfully submitted to your committee.

SB 503 would make changes to the procedures for judicial tax lien foreclosure sales. The bill would require that prior to service by publication, the party filing the action must exercise due diligence to determine the address, including any alternative addresses, of the person to be served and conduct personal service at that address. The bill would reduce the time period that property taxes must be delinquent before the county can initiate proceedings from three years to one year. The bill would allow the costs incurred by the board of county commissioners or governing body of a city, including abstracting and title examining fees, to be reimbursed from the proceeds of the sale. County commissioners or members of the governing body of a city that initiate the sale are prohibited from purchasing the property.

SB 503 has the potential to increase the number of cases filed in district courts because it would allow counties to file court actions much sooner than currently allowed. If it does, the Office of Judicial Administration indicates that there would be a fiscal effect on the operations of the court system. However, it is not possible to estimate the number of additional court cases that would arise or how complex and time-consuming they would be. Therefore, a fiscal effect cannot be determined. In any case, the fiscal effect would most likely be accommodated within the existing schedule of court cases and would not require additional resources. The Office indicates the bill has the potential result in the collection of additional docket fees in those cases filed under the provisions of the bill. The bill would have no fiscal effect on the operations of the Department of Revenue or the Office of the Attorney General.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill would expand the amount of costs incurred by counties and cities that could be recovered from a judicial tax lien foreclosure sale. However, they do not have a basis on which to estimate the amount of costs that could be recovered or whether it would fully cover the costs of the judicial tax lien foreclosure sale to make a precise estimate of the fiscal effect on local governments. The bill has the potential to increase timely paid property taxes with the shorter time period before the county can initiate proceedings for a judicial tax lien foreclosure sale. However, it is unknown if the additional property tax collections would offset any additional costs to initiate a judicial tax lien foreclosure sale.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Erik Wisner, Real Estate Commission  
Wendi Stark, League of Municipalities  
Jay Hall, Association of Counties  
Willie Prescott, Office of the Attorney General  
Vicki Jacobsen, Judiciary