SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2241

As Amended by Senate Committee of the Whole

Brief*

Senate Sub. for HB 2241, as amended, would provide for transfers from the State General Fund to the Local Ad Valorem Tax Reduction Fund (LAVTRF) for FY 2013, 2014, 2015, 2016, and all subsequent years in the amount of $45 million for each year. Current law calls for a $27 million transfer to the LAVTRF in FY 2014, a $40.5 million transfer to the LAVTRF in FY 2015, and $54.0 million transfers to the LAVTRF in FY 2016 and all subsequent years.

The bill also would change the nature of the FY 2014 transfer from a revenue transfer to a demand transfer. Additional language would require local units to reduce property taxes below the prior year’s level by the amount of the LAVTRF distributions.

Background

The original subject matter of HB 2241 dealt with the practice of dentistry and would have made a number of amendments to the Dental Practices Act. The Senate Ways and Means Committee on March 19, 2012, amended the bill to strike its original contents; recommend that a substitute bill be created; and insert the aforementioned provisions relative to the LAVTRF (which are identical to the provisions of SB 409 as amended by the Senate Assessment and Taxation Committee). The Senate Committee of the Whole amended the bill to increase from 80 percent to 100 percent the amount

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at http://www.kslegislature.org
of LAVTRF distributions that would have to be applied to property tax relief as a condition of accepting the monies.

The Department of Revenue indicates in the fiscal note that SB 409 would reduce State General Fund revenue by $45 million in FY 2013, $18 million in FY 2014, and $4.5 million in FY 2015. The bill would increase State General Fund revenue by $9 million in FY 2016 and all subsequent years.