

March 6, 2017

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

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2230 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2230 is respectfully submitted to your committee.

HB 2230 would allow a county commission, which has established a redevelopment district that includes property located within a federal enclave, the ability to provide a property tax exemption for certain property owned by the redevelopment authority that is leased to a business. The property tax exemption would be allowed for up to ten years after the lease commences and the business must be involved in certain economic development purposes. The bill would take effect upon its publication in the *Kansas Register*.

Passage of HB 2230 has the potential to decrease property tax revenues by adding a new property tax exemption. The state would receive less property tax revenues to the two state building funds, the Educational Building Fund and the State Institutions Building Fund. The bill would also decrease the amount of property tax revenues that school districts would receive through the state's uniform mill levy. The bill would also decrease revenues to any local government that levies a property tax. However, the Department of Revenue does not have data on the property that would receive a property tax exemption under the provisions of HB 2230; therefore, an estimate of the amount of decreased property tax revenues and its effect on local and state revenues cannot be estimated.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Melissa Wangemann, Association of Counties
Dale Dennis, Education