

February 8, 2021

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 123-E  
Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 149 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 149 is respectfully submitted to your committee.

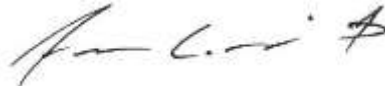
SB 149 would allow owners of commercial real property to apply to the county commission for reimbursement of property taxes if their business was shut down or capacity was limited by the county government. The county treasurer would be required to reimburse all property owners that file a valid application from the county general fund. If the business was shut down they would be reimbursed 1/12 of their total property taxes for each month they were shut down. For capacity limitations, the reimbursement would be 1/12 of the total taxes multiplied by the percentage of the capacity limitation and then multiplied by the number of months of the limitation. The bill would apply to tax year 2020 and future tax years.

The Department of Revenue indicates SB 149 would have no fiscal effect on property tax revenues that would be collected for the two building funds, the Educational Building Fund and the State Institutions Building Fund; the state's uniform mill levy to fund expenditures for school districts; municipal government; or any other property taxing authority except for county government. The bill requires that the county government reimburse all property taxes from the county general fund, including the taxes collected on behalf of other taxing authorities. The Department of Revenue does not have data to determine which businesses have been shut down or their capacity was limited by the county government, or the assessed valuation of this specific property to make a precise estimate of the amount property taxes that the county would be required to reimburse to the property owner. The bill would have no fiscal effect on the operations of the Department of Revenue.

The Kansas Association of Counties indicates that county government only retains 30.0 percent of all property taxes collected in the state. It is unknown to what extent businesses would apply for this property tax reimbursement or if the amount of reimbursements would exceed county general fund reserves. County governments may be required to hire temporary positions to review reimbursement applications and to determine if the application is valid. However, the amounts of these potential costs are unknown and would vary by county.

The League of Kansas Municipalities indicates the bill would have no fiscal effect. The Department of Education indicates the bill would not have a fiscal effect on the state's uniform mill levy to fund expenditures for school districts. However, if it were determined that the mill levy to fund education would be used to reimburse property owner, then the state would be required to proportionally increase funding from the State General Fund.

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: Wendi Stark, League of Municipalities  
Jay Hall, Association of Counties  
Craig Neuenswander, Education  
Lynn Robinson, Department of Revenue