

SESSION OF 2024

SUPPLEMENTAL NOTE ON SENATE BILL NO. 482

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 482, as amended, would make several modifications to the revenue neutral rate notification and hearing process.

The bill would specify that county clerks are not required to send hearing notices to owners of property that is exempt from taxation.

The bill would also require the vote of a governing body to exceed the revenue neutral rate to take place on the same day as the commencement of the public hearing to exceed the rate.

The bill would also authorize governing bodies who do not hold hearings pursuant to the revenue neutral rate process to exceed their revenue neutral rate in the case where the final taxable valuation of the taxing entity is less than the estimated value used to calculate the revenue neutral rate, as long as the actual tax levy of the taxing entity is equal to or less than the tax levied in the previous year.

Finally, the bill would replace the current provisions establishing minimum requirements for the contents of the revenue neutral rate hearing notice with new provisions specifying the heading and opening statement of the notice and requiring:

*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>

- The appraised and assessed value of the taxpayer's property for the current and previous year;
- The amount of property tax of each taxing subdivision on the property from the previous year's tax statement;
- The estimated amount of property tax for the current year of each taxing subdivision based on the revenue neutral rate;
- The estimated amount of property tax for the current year of each taxing subdivision based on the greater of the revenue neutral rate or the proposed tax rate provided by the subdivision to the county clerk, if the subdivision has notified the clerk of its intent to exceed the revenue neutral rate;
- The difference between the current year's maximum tax and the previous year's tax, in both dollars and percent, for each taxing subdivision;
- The date, time, and location of the hearing for each subdivision intending to exceed the revenue neutral rate; and
- For each taxing subdivision holding a revenue neutral rate hearing, the difference between the current year's maximum tax and the estimated tax at the revenue neutral rate.

Background

The bill was introduced by the Senate Committee on Ways and Means at the request of Senator Tyson.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by the Sedgwick County Clerk, who generally stated the bill would allow for cost savings for local governments without reducing the information provided to taxpayers.

Written-only proponent testimony was provided by a representative of the Kansas Association of Realtors.

No other testimony was provided.

The Senate Committee amended the bill to insert the provisions requiring the vote to be held on the same day as the commencement of the hearing, allowing taxing entities to exceed the revenue neutral rate in cases of reduced final valuations, and specifying the contents of the revenue neutral rate notice.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates the bill would have no fiscal effect on its operations. The Kansas Association of Counties indicates the bill has the potential to reduce county government expenditures by an indeterminate amount.

Taxation; property tax; revenue neutral rate