

**SECOND CONFERENCE COMMITTEE REPORT BRIEF
SENATE SUBSTITUTE FOR HOUSE BILL NO. 2125**

As Agreed to April 10, 2025

Brief*

Senate Sub. for HB 2125 would reauthorize the statewide school finance mill levy, modify certain dates related to municipal budgeting, modify the form required for revenue neutral rate notices and continue the state reimbursement of printing and postage costs associated with such notices, and prohibit filing fees at the State Board of Tax Appeals when prior appeals remain pending.

The bill would be in effect upon publication in the *Kansas Register*.

Statewide School Finance Mill Levy

The bill would reauthorize the statewide school finance property tax levy at a rate of 20 mills for school years 2025-2026 and 2026-2027.

Municipal Budgeting Date Changes

The bill would make October 1 the deadline for taxing entities to annually certify to the county clerk the amount of property tax to be levied. [Note: Under current law, the deadline is October 1 for taxing entities exceeding the revenue neutral rate and August 25 otherwise.]

The bill would require county clerks to use the previous year's budget information and amount of property tax to be levied for any taxing entity that does not file its budget information by 5:00 p.m. on October 1.

The bill would move from December 15 to December 1 the date by which county treasurers are required to mail property tax statements and tax information forms.

Revenue Neutral Rate Notice Reimbursement and Form Revisions

The bill would extend, through calendar year 2026, state reimbursement of printing and postage costs incurred when county clerks are required to mail notices of proposed tax

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <https://klrd.gov/>

increases beyond the revenue neutral rate. The bill would also extend the corresponding transfer from the SGF to the Taxpayer Notification Costs Fund to reimburse such costs.

Beginning in calendar year 2025, the bill would also make changes to the form required to be used for such notices. The bill would require the form to:

- Include a column indicating the mill levy utilized in the calculation of:
 - The tax for the preceding year;
 - The tax for the current year based on the revenue neutral rate; and
 - The amount of tax proposed for the current year;
- Eliminate a column specifying the amount by which the proposed tax amount exceeds the tax at the revenue neutral rate;
- Include information for the aggregate amount of tax levied by each taxing subdivision for the current and prior year and the difference between such amounts in both dollars and percentages; and
- Refer to amounts of tax to be levied by a taxing subdivision in the current year as “Proposed Tax” rather than “Maximum Tax” as in current law.

State Board of Tax Appeals Filing Fees Prohibition

The bill would prohibit the State Board of Tax Appeals (BOTA) from charging a filing fee to a taxpayer who has an appeal from a previous year still pending before BOTA in regard to the same parcel of property.

[Note: The bill would replace a provision under current law prohibiting a filing fee when a taxpayer has a pending appeal that is beyond the statutory time period for service of a decision by BOTA.]

Conference Committee Action

The second Conference Committee agreed to the Senate amendments to the bill and agreed to further amend the bill to revise the revenue neutral rate notice provisions and to insert:

- The provisions of SB 269, as amended by the House Committee on Taxation; and
- The reauthorization of the statewide school finance mill levy.

Background

The second Conference Committee report contains provisions from Senate Sub. for HB 2125 and SB 269. Background information for both bills are provided below.

Senate Sub. for HB 2125 (Municipal Budgeting Date Changes and Revenue Neutral Rate Notice Changes)

Senate Committee on Assessment and Taxation

The Senate Committee recommended a substitute bill and replaced the contents of HB 2125, as introduced, with the provisions of SB 73 with further amendments, including:

- Removing a provision to advance the deadline from November 15 to November 1 for county clerks to submit levy amounts to the Director of Property Valuation, Department of Revenue;
- Setting the deadline for all taxing entities to submit their budgets to October 1;
- Adding provisions related to requirements for forms; and
- Extending state reimbursement of printing and postage costs for tax increase notices.

[Note: The Conference Committee retained these amendments and further amended the requirements for forms.]

[Note: HB 2125, as recommended by the House Committee on Taxation, would have provided countywide retailers' sales tax authority for Pawnee County for the purpose of health care services and furnishing and equipping county-supported public safety operations. This provision is included in the Conference Committee report for HB 2275.]

SB 73

SB 73 was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Blew.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by Senator Blew, who stated the bill would provide additional incentive for taxing jurisdictions to certify their budgets in a timely manner and provide more time for taxpayers to be able to budget for property taxes and prepare for an appeal.

Written-only proponent testimony was provided by a representative of Kansas County Clerks and Election Officials Association.

Neutral testimony was provided by a representative of the Kansas Association of Counties, who stated that changes to deadlines in the budget process could have unforeseen negative effects on taxpayers and local governments and should only be considered after a more thorough review with more opportunity for stakeholders to provide input.

Written-only neutral testimony was provided by a representative of the League of Kansas Municipalities and the Sedgwick County Clerk.

No other testimony was provided.

SB 269 (Board of Tax Appeals Filing Fees)

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

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Kansas Chamber of Commerce, who stated the bill would clarify existing law and ensure taxpayers are not subject to additional filing fees if BOTA fails to address a pending appeal in a timely manner.

No other testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by a representative of the Kansas Chamber of Commerce that was substantially similar to testimony provided in the Senate Committee hearing.

No other testimony was provided.

The House Committee amended the bill to clarify fees could not be charged when an appeal is filed in regard to the same parcel of property as that involved in a pending appeal. [Note: The Conference Committee retained this amendment.]

Fiscal Information

Senate Sub. for HB 2125 (Municipal Budgeting Date Changes and Revenue Neutral Rate Notice Changes)

According to the Department of Revenue, the continuation of state reimbursement for printing and postage costs would reduce SGF receipts by \$1.4 million in FY 2026 and FY 2027.

[Note: The continuation of this reimbursement in FY 2026 was included in the Conference Committee Report for SB 125.]

SB 73

According to the fiscal note prepared by the Division of the Budget on SB 73, as introduced, the Department of Revenue indicates enactment of the bill would have a negligible

fiscal effect on its operations. The Kansas Association of Counties indicates the bill would have an unknown fiscal effect on counties. The League of Kansas Municipalities indicates the bill would have no fiscal effect on cities.

SB 269 (Board of Tax Appeals Filing Fees)

According to the fiscal note prepared by the Division of the Budget on SB 269, as introduced, BOTAF indicates enactment of the bill would decrease revenues to the BOTAF Filing Fee Fund by \$130,000 in FY 2026, by \$135,000 in FY 2027, and by \$140,000 in FY 2028. BOTAF further indicates reductions in revenue to this fund would require replacement with an increase to its State General Fund appropriation to provide adequate funding for its operations.

Taxation; property tax; election requirement; revenue neutral rate; notices; transfers; ASTRA Fund; mill levies; school finance mill levy; property tax exemptions; Board of Tax Appeals; fees

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