

March 11, 2025

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2400 by House Committee on Taxation

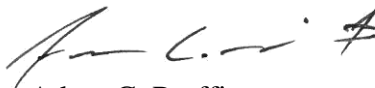
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2400 is respectfully submitted to your committee.

HB 2400 would expand the definition of “agritourism activity” for property tax classification purposes to include trail rides. This definition would become effective beginning on July 1, 2025.

The Department of Revenue’s Property Valuation Division (PVD) indicates that it does not have data on trail rides to determine the fiscal effect of enactment of HB 2400. The computer-assisted mass appraisal system used in Kansas does not include a data field to identify if a property includes a trail ride, so PVD is not able to estimate the number of properties that could be impacted by this legislation. PVD notes that if a trail ride is currently located on a parcel classified as residential or vacant, changing the parcel’s classification to agricultural would increase its assessment rate from 11.5 percent for residential or 12.0 percent for vacant, to 30.0 percent for agricultural land, possibly resulting in an increase in assessed taxable valuation. The bill would have no administration costs for the Department of Revenue or the Board of Tax Appeals.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill would have an unknown impact on local government property tax revenue. The bill has the potential to shift the tax burden to other property classifications and types.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Stephen Bauchum, Board of Tax Appeals
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Gabrielle Hull, Department of Education