

February 27, 2026

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2559 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2559 is respectfully submitted to your committee.

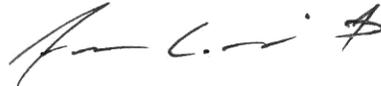
Under current law, in any appeal from the reclassification of property that was classified as land devoted to agricultural use for the preceding year, the taxpayer's classification of the property as land devoted to agricultural use is presumed to be valid and correct if the taxpayer provides an executed lease agreement or other documentation demonstrating a commitment to use the property for agricultural use, if no other actual use is evident. HB 2559 would remove this presumption.

The Department of Revenue estimates that HB 2559 would have no fiscal effect on state property tax revenues or its operations. The Board of Tax Appeals indicates the bill would have an unknown effect on its appeal caseload and filing fee revenue, as the Board does not have data to determine how county appraisers and taxpayers would respond to the provisions of the bill.

The League of Kansas Municipalities and the Kansas Association of Counties indicate that the bill would have an indeterminate fiscal effect on local governments. If property that was previously classified as land devoted to agricultural use is reclassified, then additional property taxes would likely be collected from that property. These organizations indicate that because property tax collections are based on the approved budget, the potential change in an individual valuation would not impact local government finances. The bill has the potential to reduce the tax burden for other property classifications and types; however, any changes in the tax burden are

estimated to be negligible. The Kansas Association of Counties indicates the bill has the potential to increase costs for county appraisers to review property and determine if a new property tax classification type is needed for that property. There could be increased costs to conduct additional appraisal evaluations and informal meetings; however, those potential costs are expected to be negligible.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Gabrielle Hull, Department of Education
Wendi Stark, League of Kansas Municipalities
Bruce Chladny, Kansas Association of Counties
Jonathan Roberts, Board of Tax Appeals