

February 18, 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 2621 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2621 is respectfully submitted to your committee.

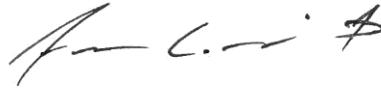
HB 2621 would provide a property tax exemption for all real property that is owned by a not-for-profit organization that provides affordable housing to individuals or families earning less than or equal to 80.0 percent of the area median income, transitional housing, or emergency shelter housing. The property tax exemption would become effective in tax year 2027.

The Department of Revenue estimates that HB 2621 would reduce state property tax revenues by unknown amounts by creating a new property tax exemption. A reduction in property tax revenue would also affect state expenditures for aid to school districts. To the extent that less property tax revenue would be available from the state's uniform mill levy to fund expenditures for school districts, the state would be required to provide additional state aid from the State General Fund through the school finance formula. The Department indicates that the bill would have no fiscal effect on its operations. Any fiscal effect associated with HB 2621 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that since property tax collections are based on the approved budget, the property tax exemption would

not impact local government finances but would narrow the property tax base. The bill has the potential to shift the tax burden to other property classifications and types.

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  
Wendi Stark, League of Kansas Municipalities  
Bruce Chladny, Kansas Association of Counties  
Gabrielle Hull, Department of Education