

February 17, 2026

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

Dear Representative Smith:

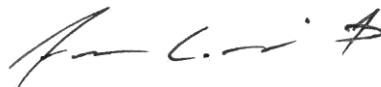
SUBJECT: Fiscal Note for HB 2631 by Representative Osman, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2631 is respectfully submitted to your committee.

For tax year 2027 and each future tax year, HB 2631 would increase the property tax exemption from the statewide school levy for residential property from \$75,000 to \$125,000. The statewide school levy is currently authorized to be levied at 20 mills through school year 2026-2027.

According to the Department of Revenue, the enactment of HB 2631 would reduce revenues to the School District Finance Fund by \$80.6 million in FY 2028, \$81.3 million in FY 2029, \$82.0 million in FY 2030, and \$82.6 million in FY 2031. Current law requires that any reduction to the School District Finance Fund attributable to the residential exemption in excess of \$42,049 would require a transfer to be made from the State General Fund to the School District Finance Fund in the amount of any exemption amount above \$42,049. State General Fund transfers in the above amounts would hold school district funding harmless with any increases in the residential exemption amount. Any fiscal effect associated with HB 2631 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue