

February 19, 2026

The Honorable Tom Kessler, Chairperson
House Committee on Federal and State Affairs
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Kessler:

SUBJECT: Fiscal Note for HB 2641 by Representative Rhiley

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2641 is respectfully submitted to your committee.

HB 2641 would create the Kansas Property Rights Protection Act requiring that landowners receive just compensation when governmental actions impose burdens on or diminish the value of their private property. The bill would define “governmental entity” as the state, any county, city, or other political subdivision. The bill would strengthen property-rights protections by obligating the government to pay for regulatory or other actions that effectively reduce property value. Government entities would be forced to pay at least 110.0 percent for temporary damages and 150.0 percent for permanent damages. If a government action would reduce a property’s value by more than 10.0 percent, the owner could demand a full buyout at 150.0 percent of the property’s fair market value. If a claim were to be denied and the property owner were to sue, the government entity would bear the burden of proof to show no “regulatory taking” occurred. If the owner were to win, the government entity would also pay their legal fees and expert expenses. Failure to pay court awarded damages could result in a penalty of up to \$10,000 per day.

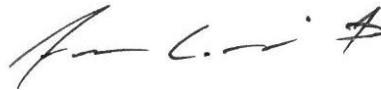
The Office of Judicial Administration indicates that enactment of HB 2641 could increase the number of cases filed in district courts because it would allow a party to bring a court action. This, in turn, would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. Until the courts have had an opportunity to operate under the provisions of HB 2641, an accurate estimate of the fiscal effect on expenditures by the Judicial Branch cannot be given. The bill would not have a fiscal effect on revenues to the Judicial Branch. However, the bill could result in the collection of docket fees in those cases filed under the provisions of the bill, which would be deposited in the State General Fund.

The Office of the Attorney General indicates that enactment of HB 2641 would not have a fiscal effect on the Office. Any fiscal effect associated with HB 2641 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates that enactment of HB 2641 could increase costs for counties to carry out public works projects and improvements due to needing to include the payment to private entities for public works projects. The Association did not have an estimate of the fiscal effect at this time.

According to the League of Kansas Municipalities, enactment of HB 2641 would have a significant and potentially severe fiscal effect on cities. The bill would define “governmental action” broadly, creating fiscal exposure for public works related to roads or infrastructure. It would expose economic development by authorizing private projects such as wind farms or data centers. It would also expose land-use regulation for adoption or enforcement of any ordinance or resolution that affects property “economic viability.”

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: Matt Bingesser, Office of the Attorney General
Bruce Chladny, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities