



February 20, 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 2715 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2715 is respectfully submitted to your committee.

HB 2715 would not require property taxes to be paid to the county treasurer until 12 months after a new car is purchased or acquired. The bill would become effective on July 1, 2026.

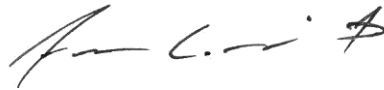
The Department of Revenue estimates that HB 2715 would have no fiscal effect on state property tax revenues. Vehicles are not subject to the state's uniform 20-mill levy to fund expenditures for school districts. Vehicle property taxes are calculated based on fair market value of a vehicle that decreases annually due to depreciation. The vehicle owner would not have to pay property taxes in the first year of ownership of a new car, when its value is highest.

The Department indicates that the bill would require \$22,000 from the State General Fund in FY 2027 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2715 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate the bill would reduce local property tax revenues that are collected from vehicles that are used in part to finance local governments. The bill has the potential to shift the tax burden to other property

classifications and types. The bill has the potential to increase staff time for county treasurers to incorporate these changes into the vehicle registration process.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Wendi Stark, League of Kansas Municipalities
Bruce Chladny, Kansas Association of Counties
Lynn Robinson, Department of Revenue
Brendan Yorkey, Department of Transportation