

February 24, 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 2782 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2782 is respectfully submitted to your committee.

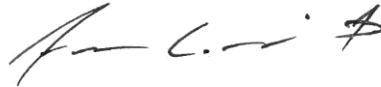
Under current law, county appraisers are prohibited from requesting documents detailing individual lease agreements from taxpayers when valuing property for property tax purposes. HB 2782 would remove this prohibition.

The Department of Revenue estimates that HB 2782 would have no fiscal effect on state property tax revenues or its operations. The Board of Tax Appeals (BOTA) indicates the bill would have an unknown effect on its appeal caseload and filing fee revenue; however, any impact is estimated to be negligible. The bill has the potential for BOTA to allocate more administrative resources, including staff attorney and board member time, to scheduling, preparation of notices, oral arguments, status conferences, and drafting of decisions related to disputes over a taxpayer's unwillingness to produce individual lease agreements. BOTA indicates that it does not know how many disputes would be decided based on the provisions of the bill to provide a precise estimate of the fiscal effect. Any fiscal effect associated with HB 2782 is not reflected in *The FY 2027 Governor's Budget Report*.

The League of Kansas Municipalities and the Kansas Association of Counties indicate that the bill would have an unknown fiscal effect on local property tax revenues. Since property tax collections are based on the approved budget, the change in an individual valuation would not impact local government finances. The Kansas Association of Counties indicates that receiving documents detailing individual lease agreements from taxpayers would be one data point in

helping the county appraiser determine the fair market value of leased property. It is unknown if the value of the property would increase or decrease based on an individual lease agreement.

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
Bruce Chladny, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities
Jonathan Roberts, Board of Tax Appeals