

March 4, 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 2784 by House Committee on Taxation

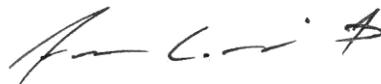
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2784 is respectfully submitted to your committee.

HB 2784 would decrease the statewide mill levy for school finance from 20.0 mills in FY 2026 to 19.0 mills in FY 2027. In turn, the bill would authorize a transfer from the Budget Stabilization Fund to the School District Finance Fund (SDFF) in an amount that would have been generated in FY 2027 if the statewide school finance tax rate levied would have been 20.0 mills.

According to the Department of Revenue, a reduction in the statewide mill levy rate for school finance from 20.0 mills to 19.0 mills would reduce property tax revenues to the SDFF by \$47.7 million in FY 2027. With the provision regarding the Budget Stabilization Fund, a corresponding transfer of \$47.7 million would be transferred to the SDFF from the Budget Stabilization Fund. The Department indicates the bill would have no fiscal effect on its operations.

The Division of the Budget notes that the statewide mill levy for school finance is authorized in statute only for two-year increments, with the current authorization through FY 2027. A future Legislature would need to decide to continue this policy of future transfers from the Budget Stabilization Fund to the SDFF, as well as setting a statewide mill levy rate. Any fiscal effect associated with HB 2784 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