

February 3, 2026

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
300 SW 10th Avenue, Room 548-S
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 332 by Senate Committee on Assessment and Taxation

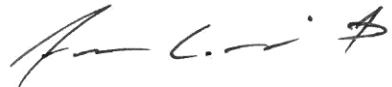
In accordance with KSA 75-3715a, the following fiscal note concerning SB 332 is respectfully submitted to your committee.

SB 332 would exclude buyer premiums, charges, or fees charged to the buyer of a property purchased at auction from the property's sale price, or total sale price, for purposes of the real estate sales validation questionnaire and for property tax purposes. The bill would require the amount of buyer premiums, charges, or fees to be separately stated in writing.

The Department of Revenue estimates that SB 332 would reduce state property tax revenues by unknown amounts. By excluding buyer premiums from the selling price, the actual cost of purchasing the property reflected in the real estate sales validation questionnaire would be artificially lower. To the extent that the lower sales price would be reflected in the property's valuation, lower property taxes would be collected on that property. Less property tax revenue would also affect state expenditures for aid to school districts. To the extent that less property tax revenue would be available from the state's uniform mill levy to fund expenditures for school districts, the state would be required to provide additional state aid from the State General Fund through the school finance formula. Local governments that levy a property tax would also receive less revenue; however, the amount of reduced property tax revenues is unknown. The Department indicates that the bill would have no fiscal effect on its operations. Any fiscal effect associated with SB 332 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that since property tax collections are based on the approved budget, the change in an individual valuation would not impact local government finances. The bill has the potential to shift the tax burden to other property classifications and types.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Erik Wisner, Kansas Real Estate Commission
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities
Gabrielle Hull, Department of Education