

February 26, 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 476 by Senator Kloos

In accordance with KSA 75-3715a, the following fiscal note concerning SB 476 is respectfully submitted to your committee.

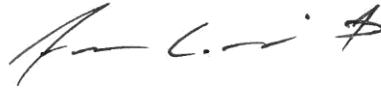
SB 476 would provide a property tax exemption for all real and personal property owned by a church or religious organization that operates a thrift store with donated goods. As part of the church or religious organization's mission, the thrift store would be required to either provide items free of charge to individuals in need or sell items and direct the proceeds toward the religious or charitable mission of the church or organization. The property tax exemption would become effective in tax year 2027.

The Department of Revenue estimates that SB 476 would reduce state property tax revenues by unknown amounts by creating a new property tax exemption. A reduction in 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. The Department indicates that the bill would have no fiscal effect on its operations. Any fiscal effect associated with SB 476 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that because property tax collections are based on the approved budget, the property tax exemption

would not impact local government finances but would narrow the property tax base. The bill has the potential to shift the tax burden to other property classifications and types.

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  
Wendi Stark, League of Kansas Municipalities  
Bruce Chladny, Kansas Association of Counties