SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2408

<u>As Amended by House Committee on Taxation</u>

Brief*

HB 2408, as amended, would add restrictions or requirements imposed on the use of real estate on leased ground owned by a county-recognized community land trust to a list of factors to be considered in determining the fair market value of a property for property tax purposes.

Background

The bill was introduced by the House Committee on Taxation at the request of a representative of Habitat for Humanity of the Northern Flint Hills.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by representatives of Habitat for Humanity of the Northern Flint Hills and Habitat for Humanity of Kansas City. The proponents generally stated the parameters of certain first-time and low-income home buyer programs resulted in taxable values of properties in excess of the amount for which the owners of the property were allowed to sell the property.

Written-only proponent testimony was provided by representatives of Build WyCo, League of Kansas Municipalities, Tenants to Homeowners, and United

_____

Community Services of Johnson County, and by two private citizens.

No other testimony was provided.

The House Committee adopted a technical amendment.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates the fiscal effect of the bill on property tax revenues cannot be estimated, but is likely to be negligible. The Kansas Association of Counties and League of Kansas Municipalities indicate enactment of the bill has the potential to reduce local property taxes and may shift the property tax burden to other properties.

Taxation; property tax; fair market value; community land trusts