

SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 402

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 402, as amended, would make changes to income, eligibility, and administration provisions of the state's three residential property tax relief programs.

[*Note:* For purposes of this supplemental note, "Homestead program" refers to a tax refund whose amount varies with taxpayer income, "Tax Freeze program" refers to a rebate available only to certain seniors and disabled veterans based on property taxes paid in excess of taxes paid in a base year, and the "Selective Assistance for Effective Senior Relief (SAFESR)" program refers to a tax credit available to certain seniors for 75 percent of property taxes paid.]

Homestead and Tax Freeze Changes

The bill would require the Department of Revenue to combine the tax forms for the Homestead program and the Tax Freeze program into a single form for tax year 2026 and all tax years thereafter.

The bill would change the definition of income for the Homestead program to be the Kansas adjusted gross income of all persons of the household while members of the household. [*Note:* This is the current definition of income for the Tax Freeze program.]

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

The bill would increase the residential valuation limit for the Homestead and Tax Freeze programs from \$350,000 to \$375,000 and specify that, for tax year 2026 and all years thereafter, a taxpayer who had previously received a refund pursuant to any of the property tax relief programs would not be made ineligible for the Homestead or Tax Freeze program by virtue of the valuation of their residence exceeding \$375,000 in future years. [Note: This provision currently applies to participants within the Tax Freeze program.]

The bill would create an exception to the residency requirement of the Homestead and Tax Freeze programs in cases where the claimant who has received a refund pursuant to the programs in a prior year is required to live away from the homestead, including living outside of Kansas, for reasons of health or other hardship, which would be defined to exclude being confined to a correctional facility. The exception would not apply if the homestead is rented or otherwise used for the production of income while the claimant lives away from the homestead.

SAFESR Changes

The bill would specify that, for tax year 2026 and all years thereafter, a taxpayer who had previously received a refund pursuant to any of the residential property tax relief programs would not be made ineligible for the SAFESR program by virtue of the valuation of their residence exceeding \$350,000 in future years.

Beginning in tax year 2026, the bill would limit eligibility for the SAFESR program to taxpayers born before January 1, 1961, replacing eligibility limited to taxpayers aged 65 or older in the tax year for which the credit is being claimed.

The bill would change, beginning in tax year 2026, the income eligibility threshold for the SAFESR program from 120 percent of the federal poverty level for two persons to \$25,380 [Note: \$25,380 was 120 percent of the federal

poverty level for two persons for 2025]. Beginning in 2027, the threshold would be annually adjusted pursuant to the cost-of-living adjustment provided for by the Internal Revenue Code.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Johnson County Board of County Commissioners and Johnson County Commission on Aging, who generally stated the bill would expand access to residential property tax relief programs and make the applications for such programs less burdensome for taxpayers.

Written-only proponent testimony was provided by representatives of the Kansas Association of Realtors and League of Kansas Municipalities.

No other testimony was provided.

The Senate Committee amended the bill to:

- Change the age limitation for the SAFESR program from individuals aged 65 years or older to individuals born before January 1, 1961;
- Increase the residential valuation limit for the Homestead and Tax Freeze programs to \$375,000; and

- Add the Internal Revenue Code inflationary adjustment to the SAFESR income eligibility threshold.

Fiscal Information

According to the Department of Revenue, enactment of the bill is estimated to reduce State General Fund (SGF) receipts by \$350,000 in FY 2027 and increase SGF receipts by \$640,000 in FY 2028, \$1.6 million in FY 2029, \$2.1 million in FY 2030, and \$2.2 million in FY 2031.

Additionally, according to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates enactment of the bill would require SGF expenditures of \$313,954 and 1.0 additional FTE in FY 2027 to implement the bill and additional ongoing SGF expenditures of \$76,034 per year beginning in FY 2028. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Taxation; property tax; relief programs; Homestead; SAFESR; tax freeze