

SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE BILL NO. 442

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 442, as amended, would provide a property tax exemption beginning in tax year 2013 for health clubs. The bill would define a health club as any business enterprise whose primary purpose is to offer facilities that contain any combination of cardio, weight training, and strength and conditioning equipment for the preservation, maintenance, encouragement, or development of physical fitness in exchange for a fee permitting the buyer to use the facilities.

Background

Proponents for the bill included the Kansas Health and Fitness Association and the Genesis Health Club. There were no opponents to the bill.

The Senate Committee struck a provision in the original bill that would have exempted membership dues for health clubs from sales taxation.

The Department of Revenue estimates the property tax exemption would decrease revenues to the Educational Building Fund and the State Institutions Building Fund by \$15,000 in FY 2014; and reduce property tax revenue for the mandatory school district general fund levy by requiring additional state expenditures for aid to schools of \$200,000 in FY 2014.

*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 <http://www.kslegislature.org>