

February 27, 2019

The Honorable Steven Johnson, Chairperson  
House Committee on Taxation  
Statehouse, Room 185-N  
Topeka, Kansas 66612

Dear Representative Johnson:

**SUBJECT:** Fiscal Note for HB 2386 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2386 is respectfully submitted to your committee.

HB 2386 would transfer a total of \$45.0 million from the State General Fund to the Local Ad Valorem Tax Reduction Fund (LAVTRF) in FY 2020. Under current law, the State General Fund transfer to the LAVTRF is set to resume in FY 2021 with a total transfer amount of \$54.0 million.

Estimated State Fiscal Effect				
	FY 2019 SGF	FY 2019 All Funds	FY 2020 SGF	FY 2020 All Funds
Revenue	--	--	(\$45,000,000)	(\$45,000,000)
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

HB 2386 would reduce State General Fund revenues by \$45.0 million in FY 2020 by resuming the State General Fund transfer to the LAVTRF. Transfers from the State General Fund to the LAVTRF have routinely been suspended in appropriations bills since FY 2004.

The League of Kansas Municipalities and the Kansas Association of Counties indicate that the bill would provide additional resources to local governments for property tax relief. Any fiscal effect associated with HB 2386 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is written in a cursive style with a large initial "L" and a long, sweeping underline.

Larry L. Campbell  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Chardae Caine, League of Municipalities  
Jay Hall, Association of Counties