

February 21, 2020

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

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2514 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2514 is respectfully submitted to your committee.

HB 2514 would allow a taxpayer that appeals the valuation of residential property or land devoted to agricultural use to force the county to purchase the real property after the value is established by the Board of Tax Appeals (BOTA). The taxpayer would have 30 days after receipt of the BOTA decision to force the sale of the property to the county at the value established by BOTA. The sale would occur within 60 days after the taxpayer's notification. The taxpayer would be liable for a pro-rated share of property taxes to the date of the sale.

The Department of Revenue indicates that HB 2514 would have no fiscal effect on state property tax revenue. The bill would have no fiscal effect on the operations of the Department of Revenue or BOTA. The Kansas Association of Counties indicates that the bill has the potential to substantially increase administrative costs by requiring it to purchase certain property at the value established by BOTA, incur costs to resale that property, and incur possible maintenance costs if the county is unable to resale that property within a reasonable amount of time. The amount of these costs is unknown and would vary by county, but it would likely be a challenge to plan for this possible financial liability in the county budgeting process.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Jody Allen, Tax Appeals
Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue