

February 24, 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 2696 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2696 is respectfully submitted to your committee.

Under current law, if a city or county passes a budget that requires additional property taxes compared to the previous year, with certain exceptions, then the budget must be approved by voters. HB 2696 would allow the governing body of any city or county to increase property taxes, without voter approval, for expenses related to transportation construction projects.

The Department of Revenue indicates HB 2696 would have no fiscal effect on state property tax revenues. The Kansas Association of Counties and League of Kansas Municipalities both indicate the bill would provide local governments with an option for obtaining resources for transportation construction projects. The League notes that the bill may result in some cost savings from not having to hold an election for additional spending on transportation construction projects. Neither the Kansas Association of Counties nor the League of Kansas Municipalities were able to estimate the precise fiscal effect from the bill because the number of cities or counties who might choose to submit budgets using the provision is unknown. The bill would have no fiscal effect on the operations of the Kansas Department of Transportation.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Ben Cleaves, Transportation
Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue
Trey Cocking, League of Municipalities