

March 4, 2019

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 123-E  
Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 151 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 151 is respectfully submitted to your committee.

Under current law, the first \$20,000 of assessed value of residential personal property is exempt from the 20-mill property tax levy that is used for financing State Foundation Aid in the state's school finance formula. This law is in effect for taxable years 2017 and 2018. SB 151 would increase the exemption to the first \$40,000 of assessed value of residential personal property for taxable years 2019 and 2020.

According to the Department of Revenue Division of Property Valuation, increasing the residential property exemption from \$20,000 to \$40,000 would decrease revenues generated from 20-mill school levy by approximately \$46.0 million in FY 2020 and approximately the same each consecutive year. In order to have the same amount of state aid distributed to schools through the school finance formula, the enactment of SB 151 would require a corresponding increase in the State General Fund appropriation for State Foundation Aid of \$46.0 million. State Foundation Aid included in *The FY 2020 Governor's Budget* assumes the \$20,000 exemption would continue through FY 2024.

Sincerely,



Larry L. Campbell  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Dale Dennis, Education