



Since 1894

Date: March 16, 2023

To: House Committee on Taxation  
Rep. Adam Smith, Chair

From: Aaron M. Popelka, V.P. of Legal and Governmental Affairs, Kansas Livestock Association

Re: **HCR 5009 A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas, relating to the assessed valuation of property in determining property taxes for real property used for residential purposes and real property necessary to accommodate a residential community of mobile or manufactured homes.**

Position: Opponent, In-Person

*The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing more than 5,700 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf, and stocker cattle production; cattle feeding; dairy production; swine production; grazing land management; and diversified farming operations.*

Thank you, Chairman Smith, and members of the Committee, for allowing the Kansas Livestock Association (KLA) the opportunity to share our views on HCR 5009. Although the goal of providing property tax relief is worthwhile, and one KLA would generally support, KLA opposes HCR 5009 because it would unfairly shift the property tax burden from one class of taxpayers to other classes of taxpayers, including agricultural taxpayers.

Under Article 11, Section 1 of the Kansas Constitution, residential property already enjoys the lowest assessment rate of all properties listed in the constitution at 11.5 percent. Comparatively, agricultural land is assessed at 30 percent and agricultural improvements are assessed at 25 percent. Residential properties also enjoy a tax exemption on the first \$40,000 of value from the 20-mill statewide levy for education, an exemption not available to other classes of property.

Although total property tax revenues from residential property have increased since the 1985 and 1992 property tax amendments to the constitution, it is not because the constitution inequitably assesses residential property, but because the number and value of homes has increased in the urban counties in Kansas. For local governments to maintain residential growth, tax collections must keep pace with the demand for residential amenities like paved roads, sewers, water, other municipal utilities, law enforcement, and fire and emergency services.

At a statewide level, it may seem like total residential collections outpace other forms of property tax revenue, but when the data is broken down between urban and rural counties, a

different picture emerges. Attached to this testimony are two graphs compiled using publicly available data from the Kansas Department of Revenue.<sup>1</sup> The first graph shows valuations across various classes of property in tax year 2022 from counties with more than 25,000 residents compared to counties with less than 25,000 residents. The second graph shows valuations across various classes of property in 2022 from counties with more than 25,000 residents compared to counties with less than 3,000 residents. With both data sets, a clear picture emerges. In rural counties, agricultural property, not residential property, contributes the greatest amount of assessed value to property taxation.

Outside of revenue from the 21.5 mills levied by the State, all property tax levies and revenues are created by and remain with local units of government. As a result, rural counties are not benefiting from urban, residential property tax revenue, which stays within the local taxing authority to benefit local residents.

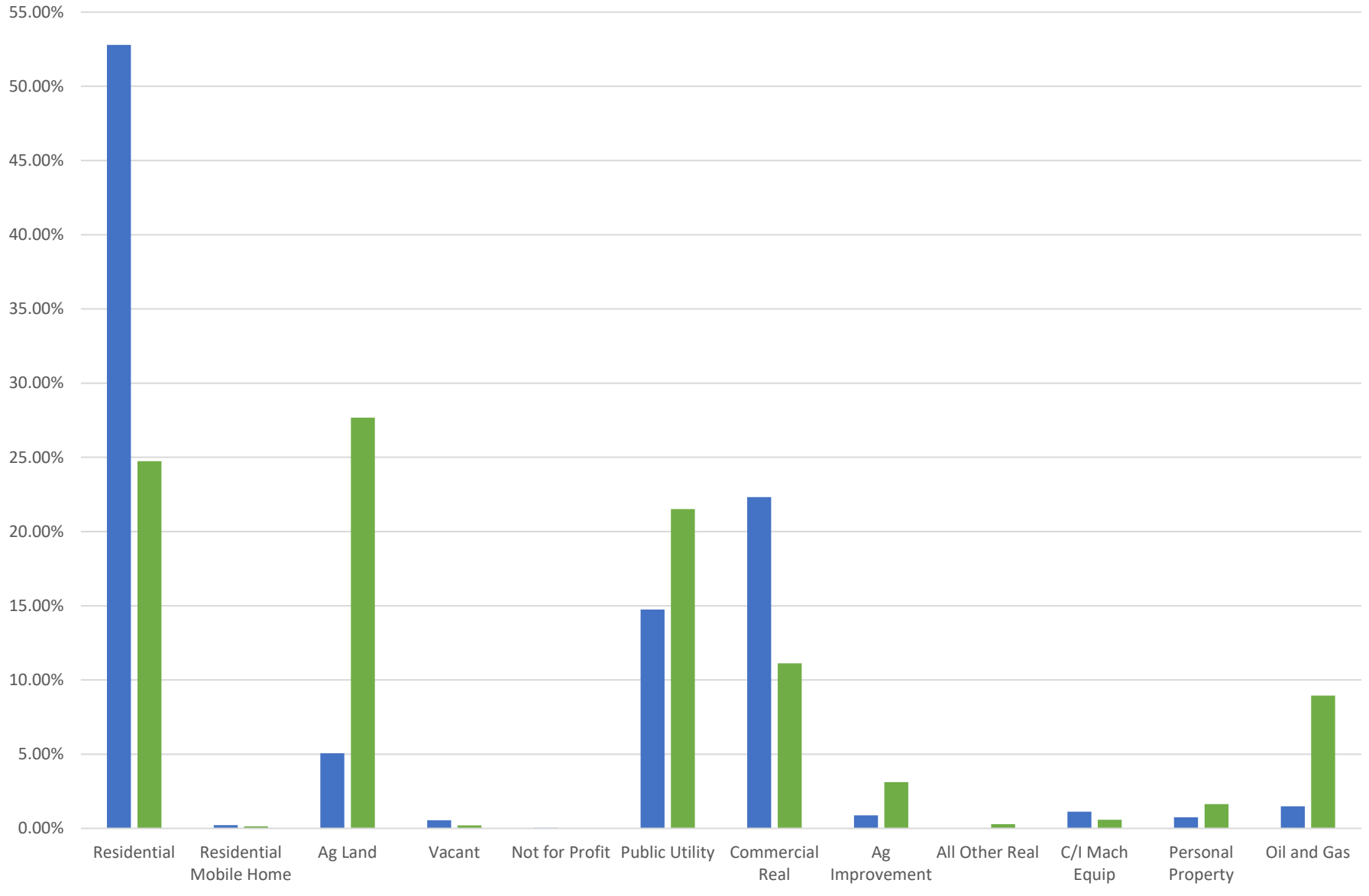
KLA appreciates the opportunity to submit testimony as an opponent of HCR 5009. We ask that the Committee not advance this resolution. If the legislature wishes to grant universal property tax relief, which KLA would support, it should look at strategies to reduce the statewide mill levy or policies to allow local units of government to reduce its mill levies.

---

<sup>1</sup> <https://www.ksrevenue.gov/PVDMap.html>

## County Property Valuation Comparison by Size

■ County Population Greater than 25,000    ■ County Population Less than 25,000



# County Property Valuation Comparison by Size

■ County Population Greater than 25,000    ■ County Population less than 3,000

