



March 19, 2024

Chairman Smith, and Members of the House Tax committee, thank you for the opportunity to submit this written testimony on behalf of the Kansas Building Industry Association (KBIA) in support of HCR 5025. KBIA is an affiliate of the National Association of Home Builders (NAHB) with eight local building associations and more than 2,000 members across the State of Kansas.

HCR 5025 would provide a method for smoothing out the peaks and valleys that we have seen in residential property valuation in recent years. By moving to a 10 year rolling average of valuation for purposes of property tax this bill would allow the normal appreciation in value of housing while reducing the “sticker shock” effect that we have seen following the pandemic. Homebuilders, contractors, realtors, and elected officials have all heard the frustration with property taxes attributable to valuations. While we believe in many cases these valuations were accurate, and the result of very strong demand in the housing market, that was little solace to those who had no intention of selling their homes while facing a rapidly increasing property tax burden.

We believe that unlike other recent attempts to address rising valuations, HCR 5025 will allow residential homes to continue to grow at a natural market rate and won't place any artificial burdens on maintenance or renovations of existing homes. Further, it does not seem to risk “locking” homeowners into their homes for fear of triggering a large valuation increase should they sell their home and move. The natural “churn” of the real estate market is critical for providing houses for young families and first time homebuyers.

In short, we feel that HCR 5025 provides a well-reasoned tool that provides predictability for homeowners and taxing entities by taking into account a longer term of annual valuations. We believe this is an important step for the residents of Kansas and we urge your support.

Sean Miller  
Kansas Building Industry Association