

To: House Committee Taxation
From: Spencer Duncan, Government Affairs Director
Date: March 19, 2024
RE: SCR 1610– Amendment Limiting Property Value Increases
In Opposition – Verbal Testimony

Thank you to the Chair and Committee for the opportunity to provide this testimony.

The cities of Kansas believe in finding a balance between fair taxation that does not burden citizens and ensuring basic services are paid for to protect the health and safety of Kansans. The League of Kansas Municipalities believes SCR 1610 intends to provide that balance but does not actually achieve its goal.

SCR 1610 was passed by the Senate at the end of last session, and discussion was limited with little time to explore many questions the amendment brings forth. Since its passage, the League has spent time speaking with cities, stakeholders, property owners and others who this will impact. Our concerns and questions come directly from these conversations and research.

The property taxation system is complex with many factors including valuations and their correlation to taxing. The Kansas Property Tax system needs reform that does not come piecemeal, but takes into account each entity, its role and how a change to one impacts the others. SCR 1610 is not that approach and presents more concerns than solutions.

Some of the questions The League still does not believe have been adequately answered are:

- Does this lead to the unintended consequence of artificially deflating property values over time?
- What happens to property values in an area that has not seen growth for an extended time, but suddenly sees new economic development? For example, as the new chip plant is built in Coffey County, and values rise in the area, does this harm individuals who want to sell property that will go up in value significantly due to this new economic development?
- How does this impact local governments, which have services tied to fair-market value of the community?
- Does this amendment unintentionally create inequitable taxation?
- Does capping valuation reduce the incentive for property owners to invest in their own properties?
- How does this impact recent changes to Kansas law regarding Revenue Neutral Rates?

Thank you for your time and consideration of these issues. I am always available to provide additional information and answer any questions you have.



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