



COUNTY OF LEAVENWORTH

Board of County Commissioners

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January 8, 2024

Senate Committee on
Assessment and Taxation
Hon. Caryn Tyson, Chair
Kansas State Capitol
300 SW 10th St.
Topeka, KS 66612

Re: Support for SB 196

Dear Senators,

I'm here to ask for your help. High property taxes (ad valorem taxes) are the number one concern for most Kansans. Looking for ways to reduce property taxes is a hard task. But that's our job now. LAVTR should make that job easier. Shifting some of the burden from property tax to sales tax makes sense. That's probably why K.S.A 79-2959 was adopted many years back and followed until 2003.

When the state needed ways to cover their budget in 2003 they decided to keep the cities' and counties' LAVTR money. Saying it was done because a report from KPI said the LAVTR program was not working to lower property tax is a mistake. The report noted that even with LAVTR funds being paid out peoples' property taxes were still going up. What the report hid from you is the fact that taxes were still going up because 'values' were skyrocketing. It was NOT because the LAVTR program was not working. Then the cities and counties had to raise mill levies to compensate for losing LAVTR funds on top of values going up so the problem was twofold.

The state requires all counties use property tax to almost completely fund our budgets. This system does not work for a number of counties, Leavenworth County among them. Leavenworth County is handicapped in reducing the property tax burden without LAVTR funds because 40% or more of the county's assessed valuation is already exempt. This requires the 60% of non-exempt property to carry the tax burden. This is an unfair, unequal, system.

The Fiscal Note prepared on SB 196 calculates the reduction in State General Fund Revenue to be \$118.9 million for FY 2024. That \$118.9 million should not be viewed as a **loss** but rather as a **return** of funds to the local governments of the state. In this time of substantial state budget surpluses the adoption of SB 196, and the resulting return of tax revenues to the local governments and constituencies that supplied those revenues, provides immediate tax relief to those very constituencies. In Leavenworth County the return of LAVTR funds would lead to a reduction in the ad valorem tax burden by **a full 4 mils.**

We know returning the LAVTR program will not completely fix the high tax problem. But it will definitely help immediately. I haven't talked to one person in my community that does not want the LAVTR returned. The only people telling me they don't want it returned are the state leaders because they do not trust that the counties will use it to lower property taxes.

Leavenworth County interprets K.S.A. 79-2959 as controlling the use of the funds that would be returned to local governments through SB 196. The reduction of ad valorem taxation is referenced in the statute and Leavenworth County certainly intends to comply with the law. The county recently adopted a Resolution mandating that any funds received by the county through K.S.A. 79-2959, as provided through SB 196, would be used solely to reduce property taxes. A copy of that Resolution is attached.

A return to the following of K.S.A. 79-2959, as provided by SB 196, funding the LAVTR program, is the most immediate and direct means this body can assist the tax payers of the state of Kansas. Your favorable consideration of SB 196 will be appreciated and remembered.

Sincerely,



Jeff Culbertson
Leavenworth County Commissioner

attachment

RESOLUTION 2023-36

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF LEAVENWORTH, KANSAS, COMMITTING THE APPLICATION OF ALL FUNDS RECEIVED BY THE COUNTY THROUGH THE PROVISIONS OF K.S.A. 79-2959, AS AMENDED, TO THE REDUCTION OF LOCAL AD VALOREM TAXES

WHEREAS K.S.A. 79-2959, as amended, created the local ad valorem tax reduction fund, those funds to be distributed to the several county treasurers of the state for the purpose of reducing local ad valorem taxes; and

WHEREAS the legislature of the state has repeatedly amended K.S.A 79-2959 in order to deprive the several counties of the state of the funds collected for the purpose of the reduction of local ad valorem taxes; and

WHEREAS this board of county commissioners, and prior boards, has repeatedly petitioned the state legislature to comply with the provisions and intent of K.S.A. 79-2959 and provide funding to the several counties of the state for the purpose of local ad valorem tax reduction; and

WHEREAS the board of county commissioners of the county of Leavenworth, Kansas, wishes to formally confirm that it, and successor boards, will apply such funds as it receives through the provisions of K.S.A. 79-2959 solely for the purpose of the reduction of local ad valorem taxes; and

WHEREAS the provisions of K.S.A. 79-2960 provides for the distribution of state funds collected under the provisions of K.S.A. 79-2959 to the several county treasurers of the state for the express purpose of reducing local ad valorem taxes;

NOW BE IT THEREFORE RESOLVED:

1. That the board of county commissioners of the county of Leavenworth, Kansas, ("board"), formally commits all funds received by it through the provisions of K.S.A. 79-2959 to the reduction of local ad valorem taxes.
2. That the county treasurer, upon receipt of any funds received by the county through the provisions of K.S.A. 79-2959 shall deposit those funds in an account specifically designated for the purpose of the reduction of local ad valorem taxes.

RESOLVED THIS 20th DAY OF DECEMBER, 2023.


VICKY KAAZ, CHAIR


JEFF CULBERTSON


MIKE SMITH


DOUG SMITH


MIKE STIEBEN

ATTEST: 
JANET KLASINSKI, CLERK

