



**Senate Committee on Assessment and Taxation
Testimony in Opposition to Senate Bill 196
Presented by Eric Stafford, Vice President of Government Affairs**

Thursday, January 11, 2024

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large-sized businesses across the state, advocating for policies which improve the economic climate in Kansas. We appreciate the opportunity to testify in opposition to Senate Bill 196, which reinstates the SGF transfer to the Local Ad Valorem Tax Reduction Fund (LAVTRF).

Property taxes are some of the most opposed form of tax among homeowners and businesses. Kansas has one of the highest commercial/industrial property tax burdens in the country according to the Lincoln Institute. In fact, in our December CEO poll of Kansas business owners, 69% felt property taxes need to be reduced. From 1997 to 2010, Kansas saw property taxes increase 94% in those 13 years- part of which was during the last time LAVTRF was fully funded when property taxes grew at a faster rate than when the state did not fund the program. Those numbers have only gotten worse with the exploding post-pandemic home valuations.

Unfortunately to the frustration of many on this committee and many in the state, the Legislature is limited on what it can do to provide relief for Kansas homeowners and businesses. The legislature took steps in transparency and accountability with the truth in taxation law several years ago. This bill goes in the opposite direction of sound state policy. It makes no sense to tax Kansans at the state level to provide tax relief at the local level. SB 196 would reinstate a \$50 million appropriation for local governments.

In conclusion, if the state has enough money to send SGF revenues to local governments and not back to taxpayers, perhaps our tax rates are too high. Real tax relief is what should be considered in 2024, not gimmicks like what's before you in Senate Bill 196. We respectfully ask that you do not support SB 196 and I'd be happy to answer any questions.