



CITY OF TOPEKA

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To: Senate Committee on Assessment and Taxation

From: Amanda Stanley, City Attorney

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Re: Written Testimony in Support of SB 332

I would like to thank Chairwoman Tyson and the Committee for allowing the City of Topeka the opportunity to provide written proponent testimony on SB 332.

Local Ad Valorem Property Tax Reduction (LAVTR), established under K.S.A. 79-299, is supposed to transfer 3.63% of state sales and use tax to cities and counties. Revenue sharing in the manner dates to the 1930s and the current framework was established in 1965. At that time, the local share of certain cigarette revenue stamp taxes and cereal malt beverage taxes were rolled into the state general fund and a direct transfer was made into the LAVTR fund to replace those funds. The fund was part of an agreement between the state and local governments that involved ceding local revenue sources in exchange for the establishment of these funds. However, since 2001 Kansas cities and counties have not received the funding resulting in a loss of \$1,835,576,169 as a result of the state's decision not to fund demand transfers.

This bill would authorize a distribution of moneys from the fund to residential property taxpayers in the form of a state rebate to offset property taxes. This is an opportunity for the state, in lieu of fulfilling the promise to provide these funds to cities and counties, to still offset property taxes for Kansans.

Thank you for your time and consideration on this important issue. We urge you to pass SB 332 to the full Senate for its consideration.