

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Adam Smith at 3:30 pm on Thursday, February 27, 2025, in room 346-S of the Capitol.

All members were present except:

Representative Henry Helgersen – Excused

Substitute members:

Representative Mike Amyx, appointed substitute member to the committee

Committee staff present:

Adam Siebers, Office of Revisor of Statutes

Edward Penner, Legislative Research Department

Eric Adell, Legislative Research Department

Lea Gerard, Kansas Legislative Committee Assistant

Conferees appearing before the Committee:

John Donley, Kansas Farm Bureau

Aaron Popelka, Kansas Livestock Association

Daryn Keeter, Keeter Roofing & Remodeling

Jeff Cott, Derby Media Resources

Others in attendance:

No list available

Request for bill introductions

Chairperson Smith opened the floor for bill requests. There were none.

Hearing on: SB35 — Discontinuing the state property tax levies for the Kansas educational building fund and the state institutions building fund and providing for financing therefor from the state general fund.

Chairperson Smith opened the hearing for **SB35**.

Adam Siebers, Office of Revisor of Statutes, provided an overview for **SB35** that would discontinue the state property tax levies (1.5 mills) for the Kansas educational building fund and the state institutions building fund after tax year 2025 and provide financing from the State General Fund beginning July 1, 2026. ([Attachment 1](#)) Mr. Siebers stood for questions from Committee members.

Proponents:

John Donley, Kansas Farm Bureau, testified as a proponent for **SB35** stating Kansas Farm Bureau has been supportive of broad based property tax relief. This bill is a starting point for relief to all Kansas

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property taxpayers. ([Attachment 2](#)) Mr. Donley stood for questions from Committee members.

Aaron Popelka, Kansas Livestock Association, testified as a proponent for **SB35** stating the Kansas Livestock Association's policy supports broad based property tax relief that applies to all classes of real property including agriculture. In effect **SB35** would discontinue the 1.5 statewide mill levy for the Kansas Educational Building Fund and State Institutions Building Fund. ([Attachment 3](#)) Mr. Popelka stood for questions from Committee members.

Written proponent testimony for **SB35** was submitted by the following:

Dave Trabert, Kansas Policy Institute, ([Attachment 4](#))

Randy Stookey, Kansas Grain & Feed Association, ([Attachment 5](#))

Mark Tomb, Kansas Association of Realtors, ([Attachment 6](#))

Daniel Murray, National Federation of Independent Business, ([Attachment 7](#))

Neutral:

Blake Flanders, Kansas Board of Regents testified as neutral for **SB35** stating they have relied on this funding stream for a number of years to provide maintenance for over a thousand buildings located on state universities. It takes 2.0 to 4.0 percent a year to maintain the buildings and that is not totally what is required. Some of the universities have put in their own resources that comes from the Education Building Fund and then some from the Facility Renewal Fund. ([Attachment 8](#)) Mr. Flanders stood for questions from Committee members.

There was no opponent testimony submitted for **SB35**.

Chairperson Smith closed the hearing for **SB35**.

Hearing on: HB2276 — Providing an income tax credit for an eligible small business that purchases qualified local news organization advertising.

Chairperson Smith opened the hearing for **HB2276**.

Adam Siebers, Office of Revisor of Statutes, provided an overview for **HB2276** that establishes a tax credit for eligible small businesses that purchase qualified local news organization advertising. This would apply for tax years 2026 through 2029 ([Attachment 9](#))

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Kathleen Smith, Kansas Department of Revenue, provided an overview on the fiscal note for **HB2276** stating the bill would decrease the State General Fund by \$3.3 million in FY 2027 and \$2.3 million in FY 2028. To come up with the estimate, the Department reviewed firms and establishments data from the U.S. Census Bureau. Data indicates that there are 19,566 eligible businesses in Kansas with between five and 50 employees that could participate in this tax credit, and if 10.0 percent of those eligible businesses utilized the tax. Ms. Smith stood for questions from Committee members.

Proponents:

Daryn Keeter, Keeter Roofing & Remodeling, testified as a proponent for **HB2276**. He noted small businesses use advertising as a primary method for acquiring customers and generating revenue and Google has become one of the leading sources of advertising in the nation for many industries. One of the challenges with Google is to maintain ranking with other businesses to stay ahead. **HB2276** will enable his business to utilize local news as a media outlet to reach homeowners in his community who live and shop locally. ([Attachment 10](#)) Mr. Keeter stood for questions from Committee members.

Jeff Cott, Derby Media Resources, testified as a proponent for **HB2276** stating in the last five to ten years, there have been more challenges and problems with very small businesses with technology and communications resources that are available. Some businesses have to spend more money to get the same results to bring consumers in their doors. He noted Google and Facebook or whatever are not reinvesting in the community like a local business will. Many local people want to reinvest in their schools, in their communities and **HB2276** will provide that opportunity. ([Attachment 11](#)) Mr. Cott stood for questions from Committee members.

Written proponent testimony for **HB2276** was submitted by the following:

Natalie Muruato, Grow Clay County, ([Attachment 12](#))

Lori Henson, Rebuild Local News, ([Attachment 13](#))

Arty Hicks, Arkansas City Area Chamber of Commerce, ([Attachment 14](#))

Emily Bradbury, Kansas Press Association, ([Attachment 15](#))

Jessica Falk, Cowley County Economic Development, ([Attachment 16](#))

John Kennedy, Greeley County Community Development, ([Attachment 17](#))

Kenn Knepper, The Citizens State Bank, ([Attachment 18](#))

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Sarah Werner, Winfield Area Chamber of Commerce, ([Attachment 19](#))

Stacy Davis, Sumner County Economic Development, ([Attachment 20](#))

Wayne Kruse, OneMarysville, ([Attachment 21](#))

Zoey Wadick, CVB & Communications Director, City of Council Grove, ([Attachment 22](#))

Opponent:

Written opponent testimony for **HB2276** was submitted by Dave Trabert, Kansas Policy Institute, ([Attachment 23](#))

Chairperson Smith closed the hearing for **HB2276**.

Discussion & action on: HCR5011 — Proposing to amend section 1 of article 11 of the constitution of the state of Kansas to provide that valuations of residential property shall be determined based on the lesser of the fair market value or the average fair market value of the residential portion.

Adam Siebers provided an overview on **HCR5011** that would amend Section 1 of Article 11 of the Kansas Constitution relating to property taxation. It is proposed under the resolution that the valuation of real property used for residential purposes would be determined based on the lesser of either the fair market value or the average fair market value. Of the residential portion, the Legislature would be able to establish the number of years to determine the average fair market value and further provide for valuation adjustments by law for new construction or improvements, changes in property use, property that is listed as escaped or admitted property and changes to the description of the land. The proposed amendment would be submitted to the electors November 5, 2025. Mr. Siebers stood for questions from Committee members.

Chairperson Smith provided graphs to the Committee explaining the impact of taxation on residential and commercial properties. ([Attachment 24](#)) ([Attachment 25](#))

Chairperson Smith offered an amendment for **HCR5011**.

Adam Siebers provided an overview on the amendment for **HCR5011** that would add real property used for commercial industrial purposes, which is defined as a subclass under the Kansas Constitution. Tangible personal property classified as mobile homes, which is defined subclass under the Kansas Constitution as subject to the ability to value property according to fair market value and the averaging provision of the constitution and the later statutory approval and requirements.

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Chairperson Smith stated as to Representative Corbet's question, the amendment does include commercial properties and mobile homes that are classified as personal property and set up on a depreciation scheduled that is based off of the value which is included in the amendment.

*Chairperson moved, seconded by Representative Hoheisel, to amend **HCR5011**. Motion passed. (Attachment 26)*

Committee discussion ensued.

*Representative Hoheisel moved, seconded by Representative Butler, the Committee recommend **HCR5011** favorable for passage as amended. Motion passed.*

Final action on: HB2098 — Providing a sales tax exemption for purchases by not-for-profit corporations operating a community theater.

*Representative Sanders moved, seconded by Representative Stogsdill, the Committee recommend **HB2098** favorable for passage. Motion passed.*

Chairperson Smith adjourned the meeting.