

To: House Taxation Committee, Representative Adam Smith, Chairman

From: John Donley, Kansas Farm Bureau

Date: January 22, 2024

Re: HB 2011- decreasing the rate of ad valorem tax imposed by a school district

Chairman Smith and members of the Committee, I appreciate the opportunity to provide testimony as a proponent to HB 2011. My name is John Donley, and I am speaking today on behalf of Kansas Farm Bureau (KFB). KFB is the state's largest general farm organization representing more than 30,000 farm and ranch families through our 105 county Farm Bureau Associations.

KFB has long standing policy that "support[s] a state tax, fee, and revenue mix that does not increase the dependency on property tax." There has been significant pressure over the years to rely more and more on property tax for state and local government revenue. HB 2011 is a step in the right direction to begin reducing some of the property tax burden for Kansas taxpayers.

A reduction of the property tax portion of the funding for K-12 education is a good start toward relying more on sales and income tax to fund K-12 education through state general fund dollars. The funding of K-12 education will continue to have a significant portion of its funding through property taxes via the local option budget. However, this bill will allow for overdue broad based property tax relief for all Kansans.

As we have testified in the past, the state and local government's reliance on property taxes has reached a point where action must be taken. By passing this legislation, not only will the legislature provide direct property tax relief broadly to all property owners, but it will also show leadership to local units of government. Ideally, they will follow the lead of the state and look at ways to reduce the property tax burden on citizens at the local level.

We look forward to working with this committee and the rest of the legislature to achieve the goal of truly lowering Kansan's property taxes. We strongly support passage of this bill and thank you for your consideration of this important tax relief.

I will stand for questions at the appropriate time.