

To: House Taxation Committee, Representative Adam Smith, Chairman

From: John Donley, Kansas Farm Bureau

Date: February 13, 2025

Re: 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.

Chairman Smith and members of the Committee, I appreciate the opportunity to provide testimony as a neutral conferee on HCR 5011. My name is John Donley, and I am submitting this testimony 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 been advocating for lower property taxes for years. KFB policy supports a "fair, just, and equitable tax system that is not detrimental to production agriculture." We felt it was important for us to publicly testify that KFB believes HCR 5011 is an appropriate manner to provide critical property tax relief to residential property owners while not shifting a significant portion of that property tax to other classes of property or even properties within the residential classification.

We have consistently testified over the years that an averaging process may be appropriate for property classes other than agriculture. Therefore, KFB wishes to be on the record as acknowledging that HCR 5011 creates a "smoothing" of the valuations during times of drastic increases or decreases in the valuation of residential properties. This policy is consistent with the rolling average that is used to appraise agricultural land in Kansas. Therefore, HCR 5011 is a good proposal that provides property tax relief to residential homeowners while lessening the shifting of taxes to agricultural land and other properties.

While this proposal will potentially shift some tax burdens to other types of properties, it is our understanding that the implementing legislation that will need to be passed should this Constitutional Amendment be approved by the voters will include provisions that will allow the "smoothing." We are willing to work with the legislature to ensure that this Constitutional Amendment, should it be adopted, will be implemented in a manner consistent with this intent.

We applaud all parties that have worked diligently to come up with this proposal to move the conversation forward on the ever-important need for property tax relief in Kansas. **We would be remiss if we did not add that it is still vitally important that the 2025 legislature provide broad based property tax relief for ALL Kansas property taxpayers by reducing the statewide mill levy that has been proposed in both the House and the Senate.** With that said, we also believe that HCR 5011 is a workable solution to address some of the concerns that you have been hearing about from your constituents.

We look forward to working with this committee and the rest of the legislature to achieve the noble and past due goal of truly lowering Kansan's property taxes.