



## COUNTY OF LEAVENWORTH

From the desk of Commissioner Mike Stieben

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Senate Assessment and Taxation Committee

March 17, 2025 HCR 5011

Chairman Tyson and members of the Committee;

Thank you for serving the people of Kansas as members of the Kansas Senate, and thank you for taking the time to consider important legislation related to property taxes here in the state of Kansas.

The Leavenworth County Commissioners have been hearing from local residents for many years now on the detrimental impact of spiking property tax valuations, because the bulk of property taxes are not controlled by one entity such as the County or the School District or the cities, local taxes (Mill levies) vary and are not subject to being easily controlled or held in check by any one entity.

Thus, taxpayers get a double hit, first the taxation is not adjusted downward when valuation increases occur, this happens because local governments believe that they have to at least implement some increase in local fiscal year spending above a revenue neutral rate because of inflationary trends. Secondly, taxpayers are often hit with large increases in "valuation" based upon the comparable market value formula contained in the Kansas Constitution for property assessment of residential properties. Taxpayers can see year over year double digit increases in their property values and the corresponding increase of taxes based upon the new higher values.

The entire Leavenworth Board of County Commissioners has agreed to support and has issued letters of support for SCR 1603 which is a true cap on tax rates resulting from increased valuations, capping such increases to no more than 3% per year. SCR 1603 applies to all classes of real estate including mobile homes.

The provisions of HCR 5011 would use the lesser of the actual change or a rolling average **of an unspecified number of years** to be determined by a future legislature and subject to change. The original HCR 5011 only applied to residential property although it now has been amended to include commercial properties and mobile homes.

It will be difficult to explain to voters how HCR 5011 would have any impact at all on lowering taxes or even reducing yearly spikes without knowing the specific formula for the number of years. The relief depends on the number of years you use and which years are used. If the wrong higher impact years are left in a formula for an average, it might actually result in higher taxation rates.

While there is no panacea to solve the overall property tax issue in Kansas, we believe that following the lead of the 26 other states that have adopted some version of a valuation cap would build more stability, continuity, and predictability into the Kansas economy.

There is also concern that HCR 5011 could shift property taxes to other classes of property including agricultural property. SCR 1603 caps all classes of property at the 3% level while HCR 5011 has not cap at all. Those who fear a shift of the burden to agricultural land have more to fear from HCR 5011 than any fears they may have previously had about the same potential under the proposed valuation cap in SCR 1603.

The bottom line is the legislature needs to act.

We suggest a substitute amendment to replace HCR 5011 with SCR 1603 and then urge that the Kansas House of Representatives to take up the Senate valuation cap which would benefit far more Kansans.

Cordially yours,

Mike Stieben, Leavenworth County Commissioner

