

To: Senate Assessment and Taxation Committee
From: Spencer Duncan, Government Affairs Director
Date: March 17, 2025
RE: HB 2396 – ASTRA Fund & Property Tax Protest Petition
Neutral – Oral Testimony

Thank you to Chair Tyson and the Committee for the opportunity to provide testimony.

Every city strives to lower property taxes, as lower rates lead to prosperous and affordable communities. Cities in Kansas work to strike a balance between fair taxation that does not burden citizens while ensuring basic services are funded. Cities are also just one of multiple taxing entities with no authority over the valuation system, one driver of property tax rates.

When presented with legislation, our role is to determine if that legislation is workable for cities. The League of Kansas Municipalities believes HB 2396, if passed, is manageable. If not passed, the cities of Kansas will continue to operate as we are under the current Revenue Neutral laws. For that reason, the League is neutral on HB 2396.

We do request two amendments, one which is critical to ensuring cities do not suffer downgrades in bond ratings and the ability to be eligible for lower rates and better terms. The other amendment relates to the signature threshold on the protest petition.

Amendment One

We request you replace the language in section (1)(b)(3) with: *“increased property tax revenues that will be spent on bonds, temporary notes, no fund warrants, state infrastructure loans, interest payments, payments made to a public building commission, and lease payments.”*

Without this change, cities are likely to see bond rating downgrades. This would be costly to taxpayers and harmful to cities ability to fund infrastructure projects. This is a primary concern with HB 2396, and without this adjustment the legislation is problematic.

Amendment Two

We request the protest petition threshold be raised to 15%.

While 10% is traditionally a threshold, those petitions call for an election of all voters. The petition process in HB 2396 does not create an election but enacts a budget policy decision – traditionally left to elected officials – from a smaller number of signatures of registered voters. Overriding a decision of duly elected representatives on a governing body is tantamount to minority control, and something all elected officials should be reticent of. Because of this distinction, we believe the threshold should be higher than election petitions.

The cities of Kansas ask you to consider adoption of these amendments if the legislation moves forward.

The League appreciates that HB 2396 recognizes that the state and cities are in this together and cities alone cannot solve all property tax concerns. The property taxation system is complex with many factors, including valuations and their correlation to taxing. The system needs reform that is not piecemeal, but accounts for each entity, its role and how a change to one impacts others.

The League continues to ask the state to work on solutions, including consideration of creation of a Tax Task Force with legislators, city and county officials, tax policy professionals, appraisers, and others, who can bring recommendations in 2026.

Thank you for your consideration. I am always available to provide more info and answer questions.



Spencer Duncan

Government Affairs Director

League of Kansas Municipalities

785-383-8825 sduncan@lkm.org