



**To:** Chairman Les Donovan and members, Senate Assessment & Taxation Committee  
**From:** Randall Allen, KAC Executive Director  
**Date:** Tuesday, February 21, 2012  
**Re:** SB 421

Mr. Chairman and members of the committee, thank you for the opportunity to present testimony in opposition to SB 421. From our reading, the bill would significantly reduce revenues to counties and other units of local government despite some partially mitigating factors, including an increase in the threshold (i.e. floor) of taxes on motorcycles and motor vehicles in Section 1 of the bill.

Clearly, by phasing-in property taxes levied by school districts pursuant to K.S.A. 72-6431 to the computation of the "county average tax rate," there are more funds for public schools. This is a policy decision of the Legislature and we have no particular opinion – one way or another – to including property taxes for schools into this calculation. Our concern is with the decrease in the assessment rate (from 20%, eventually dropping to 12%), which negatively impacts county budgets.

Over the past several years, counties have endured the loss of local ad valorem tax reduction funds (LAVTR), city-county revenue sharing funds (CCRS), and slider payments promised when commercial machinery and equipment purchased after July 1, 2006 were exempted from the personal property tax base. All of these actions have served to shift the property tax burden to the residual tax base, including residential, commercial, and agricultural properties, which have negatively impacted property taxpayers in these categories.

During this legislative session, there are multiple changes in tax policy under consideration. Although we empathize with the need to identify state revenues for public schools, we respectfully request that the Legislature do no harm to counties and other units of local government in the process of achieving other policy objectives. The property tax is the single most hated tax, and we want to do everything possible to minimize its impact.

Thank you, Mr. Chairman, for providing this opportunity to visit with you today about SB 421.

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2-21-12  
Attachment # 10