

**House Committee on Taxation
Testimony in Support of House Bill 2340
Presented by Eric Stafford, Vice President of Government Affairs**

Thursday, March 14, 2019

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to testify in support of House Bill 2340.

HB 2340 is a straightforward bill that prevents local government from spending revenue from property tax increases on properties under appeal. Often property tax appeals on commercial property can take several years to resolve. Counties receive millions in revenue under protest and that revenue is added to the county budget.

For example, one of our members who appealed their property valuations from 2016 did not have their hearing before the Board of Tax Appeals until January 2019. They are currently awaiting the outcome of that hearing before either party could appeal to the court of appeals and potentially the Kansas Supreme Court.

Plugging that revenue into the budget allows government to increase their spending, essentially using challenged property taxes as an interest free loan to government. Local government officials have been public in Kansas newspapers about the “impact” of losing this revenue if the taxpayer is successful in their appeal. If property values in a county are X, and taxpayers prove successful in their appeal, then the property value is reduced. There is no “loss” to the county because a successful appeal means the property was not properly appraised in the first place.

Local government officials have publicly claimed that these appeals will result in a “shift of the burden” to residential property. Again, property value is property value. If property taxes aren’t drawing in the desired level of spending, then that’s up to the governing body whether they want to raise taxes. Blaming successful appeals as the problem is intellectually dishonest.

HB 2340 is a great step for taxpayer protection when taxpayers face the decision on whether to appeal their valuation increases. We appreciate the opportunity to testify in support of House Bill 2340, and I am happy to answer any questions at the appropriate time.