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To: House Taxation Committee  
From: Mark Tomb, VP of Governmental Affairs  
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Re: Opponent Testimony SCR 1611

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide opponent testimony regarding SCR 1611, which would propose to amend Section 1 of Article 11 of the Constitution of the State of Kansas to limit valuation increases to no more than 4% in any year for all types of property.

KAR represents over 11,000 members involved in residential, agricultural and commercial real estate and has advocated on behalf of the state's property owners for more than 100 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

REALTORS® believe that real estate is burdened with an excessive share of the constantly increasing cost of state and local government. While we realize the importance of many programs funded through property tax revenues, we believe tax revenues should be equitably collected from a variety of sources and encourage taxing jurisdictions to consider the negative impact to the housing market associated with any potential increase in property tax rates. The Legislature should be focused on providing actual property tax relief that does not simply shift the burden to other property owners. KAR encourages the Legislature to consider the full effect and potential unintended consequences of the proposed constitutional amendment before us.

- This amendment gives property owners/taxpayers the false perception that they will pay less in property taxes. However, assessed valuation is only part of the property tax formula; local governments will still be able to raise the amount of revenue unincumbered by anything having to do with valuation increases. Local governments would only be checked by revenue neutral notice/hearing and eventually the consequences of the ballot box.
- Identical houses will be treated differently. Once this proposal is up and running it would provide long-term homeowners with a deep discount, while a first-time home buyer such as a young couple will essentially pay for that relief in the form of higher taxes. This would be particularly the case in high growth areas and among desirable property types.
- This constitutional amendment will create a disincentive to sell your home that would increase over time. In addition, because the valuation would reset to the current actual valuation upon any ownership change, we agree with testimony provided during the 2023 Special Committee

on Taxation that this constitutional amendment would create what amounts to a spousal death tax as property would be fully valued upon any transfer or change of ownership including the death of an owner.

- The legislation would also reset the assessed valuation to the actual valuation when an improvement is made to the property. However, the amendment does not define improvements which will be subject to a definition eventually made by the Legislature. Do we really want to create a disincentive for property owners to improve their property? Do we want to add more subjectivity to local appraiser interpretations of those definitions?

In conclusion, KAR opposes SCR 1611 because it will create inequity in the property tax system and requests that the House Taxation Committee consider other alternatives that actually impact the problem of increasing property taxes. Thank you for your time and consideration of our testimony.