

To: Senate Committee on Assessment and Taxation
From: Spencer Duncan, Government Affairs Director
Date: March 22, 2023
RE: SCR 1610– Amendment Limiting Property Value Increases
Neutral – Written Testimony

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

The cities of Kansas believe in finding a balance between fair taxation that does not burden citizens and ensuring basic services are paid for to protect the health and safety of Kansans. The League of Kansas Municipalities believes SCR 1610 is a tool with an intent to help provide that balance.

The League wants to be a part of the conversation of SCR 1610 as it moves forward in the legislative process. We are neutral at this time because we want a better understanding of the overall impact this Amendment would have on real property values and what that will mean to citizens and property owners.

Some of the questions The League would like further study on include:

- What is the real impact to property values over time? Does this amendment lead to the unintended consequence of artificially deflating property values?
- What happens to property values in an area that has not seen growth for an extended time, but suddenly sees new economic development? For example, as the new chip plant is built in Coffey County, and values rise in the area, does this harm individuals who want to sell property that will go up in value significantly due to this new economic development?
- How does this impact local governments, which have services tied to fair-market value of the community?
- Does this amendment unintentionally create inequitable taxation?
- Does capping valuation reduce the incentive for property owners to invest in their own properties?
- How does this impact recent changes to Kansas law regarding Revenue Neutral Rates?

The League does not have the answers to these questions and others this amendment raises. We believe time is needed to explore these impacts so we can have a more informed discussion before Kansans consider a change to the Constitution. We appreciate this initial discussion and look forward to being involved as it moves forward.

Thank you for your time and consideration of these issues. I am always available to provide additional information and answer any questions you have.



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