



**KANSAS**  
ASSOCIATION OF  
**COUNTIES**

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Senate Assessment and Taxation Committee  
January 11, 2024  
SB 196

Kansas Association of Counties  
Proponent Testimony

Chairwoman Tyson and members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer proponent testimony on SB 196, which would restore funding of the Local Ad Valorem Tax Reduction (LAVTR) fund. This is an important piece of legislation that would benefit all property taxpayers in Kansas.

LAVTR is a tool that was created to decrease the property tax burden on local taxpayers by providing some funding for local budgets through state sales tax revenues. Local residents already pay for LAVTR when they buy goods here in Kansas since LAVTR is derived from 3.63% of the total retail sales and compensating taxes credited to the state general fund. LAVTR serves as a means of reducing the reliance on property taxes to fund local governments.

There has been an argument that LAVTR is a “slush fund” for local governments. However, if you look at the attached budgeting document created by the Kansas Department of Administration, you will see a line item that deducts the LAVTR amount (if any) from the County budget information. This deduction demonstrates that LAVTR is not a slush fund to be added to local budgets, but rather is a deduction that reduces the overall property tax collection for local government budgets.

The language of SB 196 would need one small update. In line 20 on page 1, year 2023 would need to be changed to 2024 so it reflects the current fiscal year rather than the previous fiscal year.

The Kansas Association of Counties supports legislation that will allow counties to be less reliant on property tax revenue to offset property taxes and fund county operations. KAC supports SB 196 and would ask that this committee also support SB 196. Thank you for the opportunity to offer support for this important legislation.

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