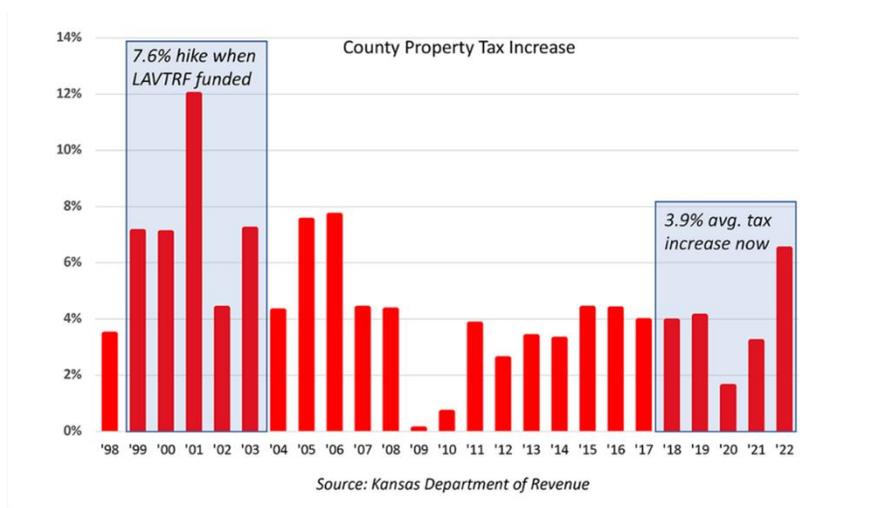




Chairperson Tyson and Members of the Committee,

We appreciate this opportunity to provide testimony in opposition to SB 196, which would reinstate the Local Ad Valorem Tax Reduction program.

LAVTR did not result in local property tax reductions when it was in place. In the last five years it was funded (1999 – 2003), county-imposed property taxes increased by an average of 7.6%. That is almost twice as much as the current five-year average of 3.9%.



Many taxpayers are experiencing excessive property tax increases imposed by cities, counties, and other local units of government. The adjacent table compares the changes in property tax, inflation, and population between 1997 and 2022 for all units of local government except those related to education.

Douglas County officials increased property tax revenue by 428%, while inflation was 74% and the population increased by 26%; that tax increase is more than four times the combined rates of

Local Government Property Tax Increases 1997-2022									
County	Ten Highest Property Tax Increases				County	Ten Lowest Property Tax Increases			
	Tax	Inflation	Pop.	Tax Ratio		Tax	Inflation	Pop.	Tax Ratio
Douglas	428%	74%	26%	4.3	Pawnee	124%	74%	-15%	2.1
Osage	381%	74%	-8%	5.8	Haskell	122%	74%	-11%	1.9
Allen	343%	74%	-13%	5.6	Rooks	118%	74%	-16%	2.0
Riley	328%	74%	10%	3.9	Rush	109%	74%	-15%	1.8
Dickinson	326%	74%	-7%	4.9	Kearny	101%	74%	-8%	1.5
Johnson	318%	74%	48%	2.6	Morton	69%	74%	-24%	1.4
Butler	309%	74%	12%	3.6	Stanton	65%	74%	-15%	1.1
Cheyenne	308%	74%	-19%	5.7	Hamilton	45%	74%	6%	0.6
Mitchell	307%	74%	-18%	5.5	Stevens	44%	74%	-3%	0.6
Leavenworth	298%	74%	17%	3.3	Grant	30%	74%	-8%	0.5

Source: Kansas Dept. of Revenue, Census, Bureau of Labor Statistics. Tax increase is for all local government entities except education.

inflation and population. Osage County officials' 381% tax increase is almost six times inflation plus population.

Seven other counties – Allen, Riley, Dickinson, Johnson, Butler, Cheyenne, and Mitchell – imposed more than 300% tax increases, and a 298% increase in Leavenworth County is

the tenth-highest increase in the state.

Grant County taxpayers experienced the smallest increase of just 30%, which is less than the 66% net change in inflation and population. Officials in Stevens and Hamilton counties also kept tax increases below inflation plus population.

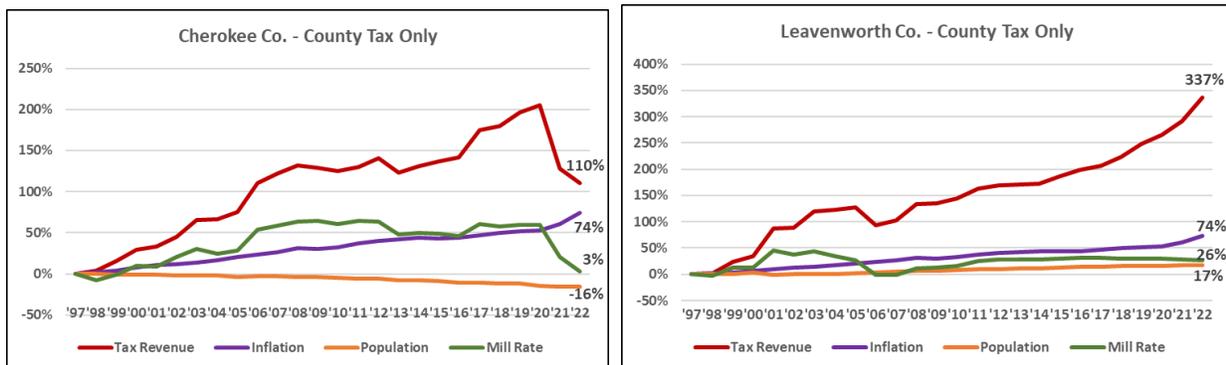
The disparity of tax hikes across the state shows that city and county property taxes are not high because LAVTR was discontinued, but because of spending choices made by local officials. For example, Overland Park General Fund expenditures for 2024 are 47% higher than just four years ago, and the City of Salina has a 42% increase.

Leavenworth County approved a 38% General Fund spending increase (2020-2024) and sent a letter to taxpayers blaming property tax increases on the Legislature.

We've witnessed city councils and county commissions blithely vote to impose double-digit property tax hikes after listening to people at budget hearings tearfully say they are already being taxed out of their homes.

Sending state taxpayer money to cities and counties has not – and will not – reduce local property taxes. Local officials can simply say, "Well, the tax increase would have been higher without the LAVTR subsidy."

Property taxes can only be sustainably reduced if city and county officials diligently work to reduce unnecessary spending and provide services at more efficient costs. Cherokee County Commissioners did that a few years ago, resulting in a 31% property tax reduction over two years.



The effort in Cherokee County shows that tax and spending reductions can happen, but history indicates that that won't voluntarily occur in most places. The Legislature must change the state constitution to limit annual property tax increases to compel widespread spending reviews.

For these reasons, we encourage the Committee to reject the proposal in SB 196.

Thank you for this opportunity to provide testimony for your consideration.