



MEMORANDUM

TO: Senate Assessment and Taxation Committee
FROM: Deputy City Manager, Jacob Wood
DATE: January 8, 2024
SUBJECT: Support for SB 196

On behalf of the City of Salina, thank you for the opportunity to provide testimony in support of SB 196. We are dedicated to delivering essential services to our constituents and enhancing the quality of life in our thriving community. As our city continues to grow and the costs of goods and services rise, we constantly seek opportunities to meet the demands of our community while maintaining fiscal responsibility.

As you are aware, property tax is one of the primary sources for municipalities. Reinstating LAVTR funding would enable us to lower our property tax mill rate. If LAVTR funding had been provided in 2023, the allocation for the City of Salina would have amounted to \$657,000 or 1.236 mills. The offsetting reduction in the mill rate would translate into an estimated \$30 in annual savings for the average homeowner. This may not seem substantial on its own, but the aggregate reduction of mill rates from all the taxing entities benefiting from LAVTR would equate to 4 mills. This would result in savings of nearly \$100 for the average residential property and even more savings for commercial properties.

One argument against reinstating LAVTR is that property taxes continued to increase during its previous implementation. A historical review of the City of Salina's mill rates reveals a different picture. From 1982 to 2002 (the last year LAVTR was funded), the mill rate remained stable or decreased, declining from 40.84 in 1982 to 24.218 in 2002, marking a reduction of 16.748 mills. Even from 2003 to 2008, the mill rate continued to decrease, albeit at a slower pace, from 24.092 to 23.959. Since then, Salina has experienced an average increase of 0.4 mills per year.

We are committed to delivering high-quality services, and when it comes to revenue generation for local governments, flexibility is crucial. LAVTR would provide an additional revenue source and grant us greater flexibility in managing our budget. While it will not eliminate the need for property taxes, it would certainly enable us to significantly reduce our property tax mill rate.

We respectfully request that the Committee report SB 196 favorably for passage. Thank you for your consideration and support.