

United Community Services of Johnson County

In-Person Proponent Testimony to House Bill 2074 Christina Ashie Guidry, Director of Policy & Planning, UCS

Date: February 6th, 2025 Kristy Baughman, Executive Director United Community Services of Johnson County, Inc. 9001 W. 110th St., Ste 100 Overland Park, KS 66210

Dear Chair Smith and Members of the House Committee on Taxation:

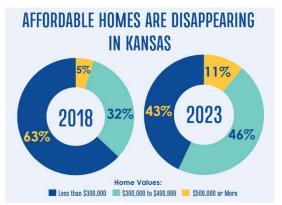
Thank you for the opportunity to testify in **support of House Bill 2074 which would restore eligible renters to the Homestead Property Tax Refund Act.** United Community Services is a nonprofit that provides data analysis, leads collaborative planning, and mobilizes resources to support the success of our community's most vital resource – its people.

Unlike other states, Kansas is experiencing a period of economic growth, with new employers investing in our state and it is important that Kansas position itself as competitive with other Midwestern states to continue to attract investment and to attract and retain workers. To ensure sustainable economic growth, Kansas employers need new employees – who need quality, attainable housing. Jobs and homes go hand-in-hand.

However, Kansas has an acute housing shortage: missing approximately 100,000 units of housing for residents earning less

than \$50,000/year because Kansas has been underbuilding new housing units for decades. Affordable housing in Kansas is disappearing; between 2018-2023, the number of homes for sale for under \$300,000 dropped from 63% of the market to 43% of the market. During that same period, rents went up by 31% on average and mortgages 29%.

2023 data shows that 43% of Kansas renters and 33% of homeowners are housing-cost burdened, or paying more than 30% of gross income on housing. The "housing cost-burden" marker indicates that more Kansans are unable to pay for monthly essentials like food, transportation, and medicine and our rate of homelessness has risen.



In 2024, the legislature instituted property tax relief for homeowners, but not renters – who are paying increased rent to accommodate increased property taxes and who are more likely to be housing cost-burdened than homeowners. **Restoring** renters to the Homestead Property Refund Act will support housing stability of renters and support the renter to homeowner pipeline while also making Kansas competitive with other Midwestern states as it looks to attract and retain residents: the Counsel of State Governments indicates that <u>6 of 11 midwestern states offer some kind of tax relief to renters</u>.

We support House Bill 2074 which would restore eligible renters to the Homestead Property Tax Refund Act and would support Kansas' competitiveness in attracting and retaining workers to support sustainable economic growth in our state.

* Sources: 2023 GAP Report, National Low Income Housing Coalition, p. 29; U.S. Census American Community Survey 2018 and 2023 1-year estimates.

