

**To:** House Committee on Taxation  
**From:** Spencer Duncan, Government Affairs Director  
**Date:** February 13, 2025  
**RE:** HCR 5011 – Rolling Average Constitutional Amendment  
*Neutral – Written Testimony*

Thank you to the Chair and 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 while ensuring basic services are paid for to protect the health and safety of Kansans. Valuations play a key role in determining tax rates. The Kansas property tax system needs reform that is not piecemeal, but fully considers each entity, its role and how a change to one impacts others. SCR 5011 is a step in the right direction, as it addresses concerns with the valuation system of residential real estate and recognizes time has come to adjust the valuation system.

The League is Neutral on HCR 5011, at this time, primarily because the valuation system itself is in the purview of the Legislature, although it certainly impacts cities in multiple ways.

Constitutional Amendments are more concrete in setting long-term policy compared to amending statutes. The League appreciates that HCR 5011 takes that into account and provides the Legislature with future flexibility to make statutory changes.

There is a correlation between the Revenue Neutral Rate process and residential property valuations. As HCR 5011 has an impact on that process, changes may need to be made to the RNR process.

If the amendment passes, but the Legislature cannot agree on a process initially, as outlined in the amendment, will the state be allowed to default back to the existing system until appropriate statutes are passed?

The League believes a valuation system that uses an average of multiple years to determine residential values is a positive step forward and worthy of consideration. Changes to the valuation process are necessary as we work together to bring tax reduction to Kansans in a way that recognizes there are multiple entities involved that determine a taxpayer's levy.

When it comes to the creation of tax and valuation policies, governmental bodies in Kansas are operating in silos – units acting independent of one another yet making decisions that significantly impact the other. This is not a productive way to reach solutions for taxpayers, cities, or the State.

As a collective – Cities, Counties, State – we are connected and need to operate in a manner that recognizes this nexus. City Governments and the State Legislature need to work cooperatively on the development of these policies. In doing so, we will better craft policies that fulfil the essential needs of each unit of government while reducing taxes on citizens.

To that end, we continue to recommend that the Legislature put together a Task Force representative of stakeholders and industry professionals and ask them to bring changes back for consideration during the 2026 session.

We ask that you keep this spirit of cooperation and collaboration in mind as you make policy decisions and know that we at the League are spreading this message to the cities of Kansas.

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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