

HCR 5011 Proponent Testimony – in person
Limiting assessed valuations
House Taxation Committee
Dave Trabert, CEO
February 13, 2024



Chairman Smith and Members of the Committee,

We appreciate this opportunity to present testimony in support of HCR 5011, which creates a method of limiting assessed valuation increases.

We believe HCR 5011 would blunt the rate of tax increase on residential property, which is sorely needed. Kansas Department of Revenue data indicates more than a 30% increase on existing homes over the last three years, allowing many local elected officials to dramatically and unnecessarily raise property tax.

The last three years have been especially bad, exacerbating a long-term trend. While inflation was 85% between 1997 and 2024, the tax on residential property jumped by 365%.¹ The tax burden borne by homeowners over that period went from 39% to 55%.

State of Kansas Change in Assessed Valuation and Property Tax by Classification (\$ millions)								
Property Class	Assessed Value			Tax Dollars			Tax Dollars % of Total	
	1997	2024	% Chg.	1997	2024	% Chg.	1997	2024
Real Estate								
Residential	\$ 6,863.8	\$ 29,096.3	323.9%	\$ 772.8	\$ 3,592.8	364.9%	39.3%	55.4%
Comm. & Indust.	\$ 3,311.5	\$ 11,574.9	249.5%	\$ 400.6	\$ 1,525.3	280.8%	20.4%	23.5%
Ag Land	\$ 1,302.5	\$ 2,426.5	86.3%	\$ 136.2	\$ 333.2	144.6%	6.9%	5.1%
Ag Improvement	\$ 131.1	\$ 519.3	296.1%	\$ 13.6	\$ 70.0	414.7%	0.7%	1.1%
Vacant Lots	\$ 124.9	\$ 294.7	135.9%	\$ 15.1	\$ 39.7	162.9%	0.8%	0.6%
Not-for-Profit	\$ 34.7	\$ 30.0	-13.5%	\$ 4.2	\$ 3.9	-7.1%	0.2%	0.1%
Other	\$ 28.5	\$ 24.1	-15.4%	\$ 3.0	\$ 3.7	23.3%	0.2%	0.1%
	\$ 11,797.0	\$ 43,965.8	272.7%	\$ 1,345.5	\$ 5,568.6	313.9%	68.5%	85.9%
Personal Property								
Res. Mobile Home	\$ 53.9	\$ 71.8	33.2%	\$ 5.0	\$ 9.2	84.0%	0.3%	0.1%
State Assessed	\$ 2,897.8	\$ 5,359.3	84.9%	\$ 284.4	\$ 676.6	137.9%	14.5%	10.4%
Other	\$ 3,376.6	\$ 1,582.7	-53.1%	\$ 329.9	\$ 227.4	-31.1%	16.8%	3.5%
	\$ 6,328.3	\$ 7,013.8	10.8%	\$ 619.3	\$ 913.2	47.5%	31.5%	14.1%
Total - All Property	\$ 18,125.3	\$ 50,979.6	181.3%	\$ 1,964.8	\$ 6,481.8	229.9%	100.0%	100.0%
Ag combined	\$ 1,433.6	\$ 2,945.8	105.5%	\$ 149.8	\$ 403.2	169.2%	7.6%	6.2%

Source: Kansas Department of Revenue, Property Valuation Division

The Truth in Taxation revenue-neutral legislation passed in 2021 is helping, with more than half of the state's 4,000 taxing jurisdictions choosing to stay revenue-neutral and not increase taxes. Unfortunately, they are primarily the smallest taxing jurisdictions, so limiting the increase in taxable assessed valuations is the next logical step. It's not the final step, however; Kansans also need protection from unnecessary mill rate jumps with a limit on the overall tax increase.

Despite our support of HCR 5011, we have the following concerns that we encourage the Committee to address:

1. The rolling average is for an unspecified number of years.
2. Delaying implementation to 2027 allows local elected officials to hit taxpayers with another significant valuation increase before the limit kicks in.
3. Only applying the limit to residential property could shift the tax burden to commercial, agricultural, and other real estate classes.

A media report indicated that House leadership is looking at a six-year rolling average, so we used that to do a historical comparison to the Senate's proposed 3% cap, assuming both went into effect in 2002 (to allow for a six-year average since 1997).

The adjacent table shows that a home appraised at \$100,000 that increased at the state average on existing homes would now be appraised at \$271,168. That is a 171% total increase and a compound annual growth rate of 3.8%. The homeowner would pay \$4,678 in property tax at 150 mills.

Simulation of 2002 Implementation Limiting Taxable Value			
Description	Actual History	6-Year Rolling Average	3% Annual Cap
Appraised Value in 1997	\$ 100,000	\$ 100,000	\$ 100,000
Appraised Value in 2024	\$ 271,168	\$ 271,168	\$ 271,168
Taxable Value in 1997	\$ 11,500	\$ 11,500	\$ 11,500
Taxable Value in 2024	\$ 31,184	\$ 24,940	\$ 22,892
Total Chg Taxable Value '97-'24	171%	117%	99%
CAGR Taxable Value '97-'24	3.8%	2.9%	2.6%
2024 Tax @ 150 mills	\$ 4,678	\$ 3,741	\$ 3,434
Source: Kansas Dept. of Revenue, author's calculations			

The lesser of the actual increase or a six-year rolling average would have resulted in a 117% increase in taxable assessed value, and the homeowner would only be paying \$3,741 in property tax today. A 3% annual cap would save even more, with property tax at \$3,434.

A table showing the annual change in each scenario is attached to our testimony.

Incidentally, we also ran the analysis with eight-year and three-year rolling averages that produced the same outcomes: the rolling average produced savings but not as much as a 3% cap.

We appreciate the House Taxation Committee examining a limit on taxable assessed valuation, and we thank you for your consideration.

¹ Bureau of Labor Statistics, Consumer Price Index for Midwest Cities.

Assumes a 6-Year Rolling Average Effective 2002

Residential

Actual per PVD				@6-Year Rolling Avg. Starting 2002						@3% Maximum 2002					
Year	Sample Home Appraisal	Taxable Assessed Value	State Avg. Change Existing Homes	Sample Home Appraisal	Assessed Value	Taxable Assessed Value	Appraised Value Change	Taxable Assessed Value Change	Sample Home Appraisal	Assessed Value	Taxable Assessed Value	Appraised Value Change	Taxable Assessed Value Change	Sample Home Appraisal	Assessed Value
1997	\$ 100,000	\$ 11,500	5.54%	\$ 100,000	\$ 11,500	\$ 11,500	5.54%		\$ 100,000	\$ 11,500	\$ 11,500	5.54%		\$ 100,000	\$ 11,500
1998	\$ 104,457	\$ 12,013	4.46%	\$ 104,457	\$ 12,013	\$ 12,013	4.46%	4.46%	\$ 104,457	\$ 12,013	\$ 12,013	4.46%	4.46%	\$ 104,457	\$ 12,013
1999	\$ 110,015	\$ 12,652	5.32%	\$ 110,015	\$ 12,652	\$ 12,652	5.32%	5.32%	\$ 110,015	\$ 12,652	\$ 12,652	5.32%	5.32%	\$ 110,015	\$ 12,652
2000	\$ 117,527	\$ 13,516	6.83%	\$ 117,527	\$ 13,516	\$ 13,516	6.83%	6.83%	\$ 117,527	\$ 13,516	\$ 13,516	6.83%	6.83%	\$ 117,527	\$ 13,516
2001	\$ 123,864	\$ 14,244	5.39%	\$ 123,864	\$ 14,244	\$ 14,244	5.39%	5.39%	\$ 123,864	\$ 14,244	\$ 14,244	5.39%	5.39%	\$ 123,864	\$ 14,244
2002	\$ 128,632	\$ 14,793	3.85%	\$ 128,632	\$ 14,793	\$ 14,793	3.85%	3.85%	\$ 128,632	\$ 14,793	\$ 14,793	3.85%	3.85%	\$ 128,632	\$ 14,793
2003	\$ 134,601	\$ 15,479	4.64%	\$ 134,601	\$ 15,479	\$ 15,479	4.64%	4.64%	\$ 134,601	\$ 15,479	\$ 15,479	4.64%	4.64%	\$ 134,601	\$ 15,479
2004	\$ 139,280	\$ 16,017	3.48%	\$ 139,280	\$ 16,017	\$ 16,017	3.48%	3.48%	\$ 139,280	\$ 16,017	\$ 16,017	3.48%	3.48%	\$ 139,280	\$ 16,017
2005	\$ 144,772	\$ 16,649	3.94%	\$ 144,772	\$ 16,649	\$ 16,649	3.94%	3.94%	\$ 144,772	\$ 16,649	\$ 16,649	3.94%	3.94%	\$ 144,772	\$ 16,649
2006	\$ 151,472	\$ 17,419	4.63%	\$ 151,472	\$ 17,419	\$ 17,368	4.63%	4.32%	\$ 151,472	\$ 17,419	\$ 16,513	4.63%	3.00%	\$ 151,472	\$ 17,419
2007	\$ 157,657	\$ 18,131	4.08%	\$ 157,657	\$ 18,131	\$ 18,077	4.08%	4.08%	\$ 157,657	\$ 18,131	\$ 17,009	4.08%	3.00%	\$ 157,657	\$ 18,131
2008	\$ 160,282	\$ 18,432	1.67%	\$ 160,282	\$ 18,432	\$ 18,378	1.67%	1.67%	\$ 160,282	\$ 18,432	\$ 17,292	1.67%	1.67%	\$ 160,282	\$ 18,432
2009	\$ 158,828	\$ 18,265	-0.91%	\$ 158,828	\$ 18,265	\$ 18,212	-0.91%	-0.91%	\$ 158,828	\$ 18,265	\$ 17,135	-0.91%	-0.91%	\$ 158,828	\$ 18,265
2010	\$ 156,927	\$ 18,047	-1.20%	\$ 156,927	\$ 18,047	\$ 17,994	-1.20%	-1.20%	\$ 156,927	\$ 18,047	\$ 16,930	-1.20%	-1.20%	\$ 156,927	\$ 18,047
2011	\$ 156,624	\$ 18,012	-0.19%	\$ 156,624	\$ 18,012	\$ 17,959	-0.19%	-0.19%	\$ 156,624	\$ 18,012	\$ 16,897	-0.19%	-0.19%	\$ 156,624	\$ 18,012
2012	\$ 155,020	\$ 17,827	-1.02%	\$ 155,020	\$ 17,827	\$ 17,775	-1.02%	-1.02%	\$ 155,020	\$ 17,827	\$ 16,724	-1.02%	-1.02%	\$ 155,020	\$ 17,827
2013	\$ 155,332	\$ 17,863	0.20%	\$ 155,332	\$ 17,863	\$ 17,732	0.20%	-0.24%	\$ 155,332	\$ 17,863	\$ 16,758	0.20%	0.20%	\$ 155,332	\$ 17,863
2014	\$ 158,670	\$ 18,247	2.15%	\$ 158,670	\$ 18,247	\$ 17,703	2.15%	-0.16%	\$ 158,670	\$ 18,247	\$ 17,118	2.15%	2.15%	\$ 158,670	\$ 18,247
2015	\$ 162,800	\$ 18,722	2.60%	\$ 162,800	\$ 18,722	\$ 17,778	2.60%	0.42%	\$ 162,800	\$ 18,722	\$ 17,563	2.60%	2.60%	\$ 162,800	\$ 18,722
2016	\$ 167,505	\$ 19,263	2.89%	\$ 167,505	\$ 19,263	\$ 17,975	2.89%	1.10%	\$ 167,505	\$ 19,263	\$ 18,071	2.89%	2.89%	\$ 167,505	\$ 19,263
2017	\$ 173,910	\$ 20,000	3.82%	\$ 173,910	\$ 20,000	\$ 18,293	3.82%	1.77%	\$ 173,910	\$ 20,000	\$ 18,613	3.82%	3.00%	\$ 173,910	\$ 20,000
2018	\$ 181,487	\$ 20,871	4.36%	\$ 181,487	\$ 20,871	\$ 18,782	4.36%	2.67%	\$ 181,487	\$ 20,871	\$ 19,171	4.36%	3.00%	\$ 181,487	\$ 20,871
2019	\$ 189,322	\$ 21,772	4.32%	\$ 189,322	\$ 21,772	\$ 19,412	4.32%	3.36%	\$ 189,322	\$ 21,772	\$ 19,747	4.32%	3.00%	\$ 189,322	\$ 21,772
2020	\$ 197,245	\$ 22,683	4.19%	\$ 197,245	\$ 22,683	\$ 20,130	4.19%	3.70%	\$ 197,245	\$ 22,683	\$ 20,339	4.19%	3.00%	\$ 197,245	\$ 22,683
2021	\$ 205,956	\$ 23,685	4.42%	\$ 205,956	\$ 23,685	\$ 20,935	4.42%	4.00%	\$ 205,956	\$ 23,685	\$ 20,949	4.42%	3.00%	\$ 205,956	\$ 23,685
2022	\$ 228,442	\$ 26,271	10.92%	\$ 228,442	\$ 26,271	\$ 22,052	10.92%	5.34%	\$ 228,442	\$ 26,271	\$ 21,578	10.92%	3.00%	\$ 228,442	\$ 26,271
2023	\$ 255,818	\$ 29,419	11.98%	\$ 255,818	\$ 29,419	\$ 23,528	11.98%	6.70%	\$ 255,818	\$ 29,419	\$ 22,225	11.98%	3.00%	\$ 255,818	\$ 29,419
2024	\$ 271,168	\$ 31,184	6.00%	\$ 271,168	\$ 31,184	\$ 24,940	6.00%	6.00%	\$ 271,168	\$ 31,184	\$ 22,892	6.00%	3.00%	\$ 271,168	\$ 31,184

Tax @ 150 mills

\$ 4,678 \$ 3,741

Total Change 1997 - 2024

171% 171% 117%

171% 171% 99%

estimated based on total change that includes new construction



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Change Existing Residential Property 2022-24			
County	Change	County	Change
Allen	34.3%	Linn	66.0%
Anderson	55.1%	Logan	24.4%
Atchison	41.1%	Lyon	30.0%
Barber	13.1%	Marion	28.3%
Barton	35.3%	Marshall	22.3%
Bourbon	19.0%	McPherson	14.0%
Brown	56.4%	Meade	21.1%
Butler	37.3%	Miami	40.7%
Chase	21.3%	Mitchell	33.6%
Chautauqua	11.6%	Montgomery	32.5%
Cherokee	45.2%	Morris	20.3%
Cheyenne	61.3%	Morton	9.9%
Clark	20.7%	Nemaha	33.4%
Clay	30.1%	Neosho	17.6%
Cloud	38.1%	Ness	22.3%
Coffey	25.5%	Norton	10.8%
Comanche	13.7%	Osage	30.5%
Cowley	41.6%	Osborne	49.9%
Crawford	23.1%	Ottawa	36.3%
Decatur	34.2%	Pawnee	38.0%
Dickinson	22.0%	Phillips	29.7%
Doniphan	11.4%	Pottawatomie	24.2%
Douglas	34.5%	Pratt	22.9%
Edwards	14.7%	Rawlins	24.5%
Elk	20.9%	Reno	27.7%
Ellis	29.9%	Republic	24.5%
Ellsworth	23.3%	Rice	37.1%
Finney	33.4%	Riley	23.8%
Ford	19.2%	Rooks	38.4%
Franklin	36.8%	Rush	24.9%
Geary	29.8%	Russell	42.3%
Gove	22.3%	Saline	22.1%
Graham	17.9%	Scott	43.8%
Grant	18.9%	Sedgwick	27.6%
Gray	30.5%	Seward	13.5%
Greeley	13.2%	Shawnee	33.1%
Greenwood	20.6%	Sheridan	10.2%
Hamilton	29.7%	Sherman	32.0%
Harper	41.6%	Smith	38.3%
Harvey	27.5%	Stafford	26.8%
Haskell	24.5%	Stanton	18.7%
Hodgeman	26.2%	Stevens	16.4%
Jackson	26.5%	Sumner	33.8%
Jefferson	42.7%	Thomas	28.9%
Jewell	34.1%	Trego	21.9%
Johnson	32.7%	Wabaunsee	27.9%
Kearny	27.8%	Wallace	24.8%
Kingman	25.4%	Washington	38.4%
Kiowa	9.9%	Wichita	22.4%
Labette	13.2%	Wilson	20.4%
Lane	24.3%	Woodson	24.2%
Leavenworth	32.8%	Wyandotte	55.9%
Lincoln	44.6%	State Avg.	32.0%

Source: Kansas Dept. of Revenue