

To: House Committee on Taxation
From: Spencer Duncan, Government Affairs Director
Date: March 4, 2025
RE: HB 2396 – ASTRA Fund & Property Tax Protest Petition
Neutral – Oral Testimony

Thank you to the Chair and Committee for the opportunity to provide testimony. Every city strives to lower property taxes, as lower taxes lead to prosperous and affordable communities. Cities in Kansas work to strike a balance between fair taxation that does not burden citizens while ensuring basic services are funded. Cities are also just one of multiple taxing entities with no authority over the valuation system, a primary driver of property tax rates.

The League of Kansas Municipalities believes HB 2396 understands the complexities cities face in balancing these responsibilities in a system they do not have full control over. For that reason, The League is neutral on HB 2396.

A primary reason for neutrality stems from an amendment we would like to see added, relating to the petition threshold of 10%. **We request the threshold be raised to 20%.**

While 10% is traditionally a threshold, those petitions are to call for an election of all voters. The petition process in HB 2396 does not create an election but enacts an actual budget policy decision – traditionally left to elected officials – from a smaller number of signatures of registered voters. Overriding a decision of duly elected representatives on a governing body is tantamount to minority control, and something all elected officials should be reticent of. Because of this distinction, we believe the threshold should be higher than election petitions.

We also request consideration is given to exempting bond payments, as some cities connect mill levies to infrastructure and project bonds. We do not want to put those in jeopardy. An exception could be added to *Section 1(b) for mill levy increases to pay debt service*

The League appreciates that HB 2396 recognizes we are all in this together and it is not just cities alone who can solve property tax concerns. The property taxation system is complex with many factors, including valuations and their correlation to taxing. The system needs reform that is not piecemeal, but accounts for each entity, its role and how a change to one impacts others.

The League continues to ask the state to work on solutions, including consideration of rolling average models and creation of a Tax Task Force with legislators, city and county officials, tax policy professionals, appraisers, and others, who can bring recommendations in 2026.

Thank you for your consideration. I'm always available to provide more info and answer questions.



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