

To: Senate Assessment and Taxation Committee, Senator Caryn Tyson, Chair

From: John Donley, Kansas Farm Bureau

Date: January 17, 2025

Re: Verbal and Written Testimony in opposition to SCR1603 - A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas; relating to property taxation; limiting valuation increases for real property and for personal property classified as mobile homes used for residential purposes.

Chair Tyson and members of the Committee, I appreciate the opportunity to provide testimony as an opponent to SCR1603. My name is John Donley, and I am speaking today on behalf of Kansas Farm Bureau (KFB). KFB is the state's largest general farm organization representing more than 30,000 farm and ranch families through our 105 county Farm Bureau Associations.

Kansas Farm Bureau (KFB) has been advocating for lower property taxes for years. KFB policy supports a "fair, just, and equitable tax system that is not detrimental to production agriculture." While the proponents of this constitutional amendment are attempting to reduce property taxes, this amendment misses the mark. This amendment could potentially reduce property taxes for certain classes of property on certain years when the appraised value of that property exceeds 3%; however, this truly only shifts the burden to other classes of property that have not exceeded an arbitrary percentage. This is a tax shift, not tax relief.

In the recent economic environment with home values increasing at a rapid rate and the agricultural economy in a state of stress, it is highly likely that this amendment would have shifted the tax savings in the residential sector partially onto the agricultural sector (as well as other property classes.) Quite frankly, this will shift the property tax burden within classes of property as well. Ultimately, the policy proposed in this amendment will eventually create disparity in the property tax appraisal system where properties of similar market value will have much different appraised values for property tax purposes.

While we applaud the intent of this constitutional amendment, we must oppose this proposal because it is a property tax shift, not a broad-based reduction. KFB is supportive of a broad-based reduction in the statewide mill levy. We encourage you to look to proposals that reduce the statewide mill levy. We feel that this would be a better approach to benefit ALL your constituents and lower their property tax burden. We would also support efforts for state and local units of government to rely less on property taxes to fund governmental entities.

We look forward to working with this committee and the rest of the legislature to achieve the noble and past due goal of truly lowering Kansan's property taxes.

I will stand for questions at the appropriate time.