

**To:** Senate Assessment and Taxation Committee  
**From:** Spencer Duncan, Government Affairs Director  
**Date:** January 16, 2025  
**RE:** SCR – Amendment Limiting Property Value Increases  
*Neutral – Written Testimony*

Thank you to the Chair and Committee for the opportunity to provide testimony. The cities of Kansas believe in finding a balance between fair taxation that does not burden citizens and ensuring basic services are paid for to protect Kansans' health and safety. The League of Kansas Municipalities believes this SCR intends to provide a balance but needs thoughtful consideration.

The property taxation system is complex with many factors, including valuations and their correlation to taxing. The property tax system needs reform that does not come piecemeal, but takes into account each entity, its role and how a change to one impacts the others.

Several states have similar Amendments or statutes, but with differences than what is being proposed. The League asks the Legislature to consider additional provisions like other states to ensure no market inequalities. Alabama has a higher cap (7%) while Colorado is at (5.5%). Florida's system is based on whether a home qualifies for the homestead program (homestead cap is 3%, non-homestead cap is 10%). Idaho has a 3% cap but allows local governments to request an election to exceed the cap. Iowa's cap is 3%, but based on total statewide assessments, not individual property assessments. New Mexico has a tiered system with income limits.

Without these nuances, The League believes the following questions need considered:

- Does this lead to artificially deflating property values over time?
- What happens to property values in an area that has not seen growth for an extended time, but suddenly sees new development? For example, with the chip plant in Coffey County values are rising in the area - would this hinder individuals who want to sell property that will go up in value significantly due to this valuation change?
- How does this impact local governments, which have services tied to fair-market value?
- Does this create inequitable taxation by creating discrepancies between market values and assessed values, making some properties under-assessed relative to market conditions?
- Does capping valuation reduce the incentive for property owners to invest in their properties if improvements don't lead to increased equivalent value?
- How does this impact Revenue Neutral Rate laws and processes?

Thank you for your consideration of these issues. I am always available to provide additional information and answer questions.



**Spencer Duncan**

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