



KANSAS
ASSOCIATION OF
COUNTIES

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Senate Assessment and Taxation Committee
January 16, 2025
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Kansas Association of Counties
Neutral Testimony

Chairwoman Tyson and members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer neutral testimony on this proposed constitutional amendment, which would place a 3% cap on valuation increases for property for taxation purposes.

Property valuation is one part of the overall taxation amount. Real estate is generally regarded as an appreciating asset, rather than a depreciating asset. Appreciating assets typically increase in value over time. This can significantly change the value of real estate, making real estate an attractive asset to own.

This constitutional amendment would cap those increases at 3%, meaning that the overall increase would not exceed 3% year over year. There are both benefits and drawbacks to this proposal that must be considered before voting.

The major benefit for taxpayers is predictability. Knowing that the value of their property would not increase more than 3% in any given year would give property taxpayers an element of predictability on what their valuation would be. There could also be predictability for counties, as they would be able to anticipate what many properties would be taxed at for the next year for tax purposes, provided ownership has not changed. This would not change appraisal practices.

This could also benefit counties, as this would likely lead to fewer disputes about a property's valuation since the valuation increases would be more predictable year to year. This could result in counties being able to allocate resources to other things.

The major drawback of this concept is that over time there would be inequity for new owners versus long time owners. The amendment allows for a "reset", where the property valuation would essentially catch up when the property ownership transfers or when there is new construction or improvements. This could also result in a shift in the tax burden from longer term owners to more transitional or short-term owners, which could make first time home ownership more difficult for some buyers.

It is also difficult to anticipate how this may impact the housing market in different parts of the state, as the tax burden in areas where there are lots of new home purchases would be very different than the burden in areas with few new home purchases. This could make growth in some areas more difficult. It could also result in some surprising increases when property transfers upon death.

As with any proposed shift in property tax policy, there are benefits and drawbacks for the committee to consider. Thank you for the opportunity to present this perspective on this legislation.

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