

**To:** Senate Assessment and Taxation Committee  
**From:** Spencer Duncan, Government Affairs Director  
**Date:** January 21, 2026  
**RE:** SB 319 – Providing a Property Tax Rebate  
*Opponent - Written*

Thank you to the Chair and Committee for an opportunity to provide testimony. Cities understand and respect the concerns that property taxes should reflect true market value. However, SB 319 moves Kansas in a direction that raises concerns about fairness, predictability, and the role of government in taxation.

**SB 319 retroactively rewrites tax outcomes based on a single sale.** Kansas has an established system for property valuation. SB 319 bypasses those safeguards and allows a single private transaction to retroactively alter tax liability – not only for the year of sale but up to four years prior. That fundamentally changes the system from one based on uniform, systematic appraisal to one where taxes can be rewritten based on an individual deal. This undermines the predictability taxpayers and local governments rely on.

**The fiscal impact falls solely on local governments.** SB 319 does not include a state appropriation or reimbursement mechanism. Any rebate is paid by the County Treasurer and charged back proportionally to the taxing entity that originally received the revenue. This means cities must absorb the losses retroactively based on private market transactions they do not control, potentially years after budgets are adopted and funds spent. This shifts more risk to local governments, which have no input into the appraisal process or private market sales. Local governments will also have to hold back funds in reserves to ensure money is available for these rebates, instead of using those funds for basic services or returning it to taxpayers. Retroactive rebates spanning multiple years introduce volatility into a system that depends on some predictability.

**This legislation pulls the government deeper into the real estate market.** Under SB 319, counties are required to determine whether a sale truly reflects “fair market value”; whether the price was artificially low; whether property conditions were intentionally altered; and whether a transaction should be recognized for tax relief purposes. These are market judgments. By validating or rejecting private sale prices for tax consequences, government shifts from taxing the real estate market to actively refereeing it. That is a significant expansion of government involvement in private transactions.

**Appraisals do not reflect conditions appraisers cannot be aware of,** and that the market discovers when a property is put up for sale, such as foundation condition, age of roof, issues with plumbing or electricity and age of heating and cooling equipment. All of these are

factors outside of the appraisal process that are significant in the sale of a property that impacts sale prices unrelated to appraised value.

**The legislation creates incentives that can distort market behavior.** When a tax rebate becomes available if a property sells below a certain threshold the tax system itself begins influencing pricing behavior. Examples include:

- Sellers may be more willing to accept a lower price.
- Buyers may use potential rebates as leverage.
- Sale timing may be influenced by appraisal cycles rather than market factors.

**SB 319 undercuts confidence in the appraisal system.** If a sale price is the most authoritative measure of value, then it raises a fundamental policy question: why have a uniform appraisal system at all? Kansas's framework exists to ensure equity across comparable situation properties. SB 319 replaces that uniformity with transaction-based corrections, which can benefit some taxpayers while leaving others paying based on valuations.

The League of Kansas Municipalities and cities of Kansas respectfully oppose SB 319. Thank you for your time and consideration, and if you have any additional questions, please let me know.



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