



HB 2815

Abolishing the local ad valorem tax reduction fund and the county and city revenue sharing fund, discontinuing certain transfers to the special city and county highway fund and decreasing rate of ad valorem tax imposed by a school district

By

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In

House Committee on Taxation

March 13, 2024

Chair Smith and Members of the Committee,

Thank you for the opportunity to provide opponent testimony on HB 2815. Our testimony is based on our member-adopted legislative policies on tax policy and its impact on funding for public schools:

We oppose arbitrary limits on taxes and valuations because of the long-term impact on revenues for schools and other public services. We urge caution and due deliberation in the consideration of tax policy.

Property tax relief for Kansans is an important policy goal. At the same time, our members have expressed concerns, through our member-adopted legislative resolutions, about the impacts of tax policy changes on the state's ongoing duty to fully fund public schools. We do not express an opinion on HB 2815's proposals to abolish the LAVTRF and the city and county revenue sharing funds. However, KASB expresses concerns, as directed by our members, about the approach to property tax reduction in Section 6 of HB 2815 with respect to the statewide mill levy for schools.

Section 6 amends Kansas law to reduce the statewide mill levy for schools from 20 to 18 mills in the 2025-2026 school year, and then the bill would freeze the amount of revenue generated by the statewide mill levy for schools to the amount generated in FY 2025-2026, for school year 2026-2027 and all years thereafter. By freezing the amount of revenue raised by the statewide

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mill levy for schools at the 2025-2026 level, HB 2815 will erode the share of funds to public schools supported in the state budget by property taxes.

Currently, the 20 mill statewide levy for schools generates approximately 24.5% of the state's funding to support school districts' State Foundation Aid.¹ This is a significant component of adequate and equitable school funding. Rather than freezing the revenue from this fund at an arbitrary amount, KASB encourages the committee to look at other proposals to meet the policy goal of addressing the property tax burdens on Kansans—while also preserving the resources needed to fully fund our public schools.

Thank you.

***KASB is a non-profit service organization built on an abiding belief in Kansas public schools.
We have put the needs of students and K-12 leaders first since 1917.***

¹ See The Governor's Budget Report Fiscal Year 2025 Volume 1 , p. 129, available at https://budget.kansas.gov/wp-content/uploads/FY2025_GBR-Vol1-01.16.2024.pdf.