

House Taxation Committee – Rep. Adam Smith, Chair

HCR5025 – Oppose

The role of the County Appraiser's Office is to ensure the uniform distribution of the jurisdiction's total tax burden. Fair market value, as of January 1, is the basis in which that is accomplished.

Any proposed legislation needs to maintain that fair market value, as of January 1, be certified by the County Appraiser to ensure the uniform distribution of property taxes.

By having certain classes of properties valued at fair market value while other classifications are valued at a multi-year average, eventually, after only a few valuation cycles, significant inequities will be evident. This has the potential of leading to another statewide reappraisal.

In considering HCR5025 the question needs to be asked what is the goal?

The proposed legislation does nothing to guarantee or ensure taxes will be lowered. The nature of the property tax formula allows it to be adjusted to collect the required tax dollars to satisfy the budgets of the various taxing entities.

At the very least, this will create a shift in tax obligation between classes and between residential properties in less desirable areas compared to highly desirable areas.

This legislation may smooth spikes in valuation, but at the cost of creating a less uniform system, with an uneven distribution of property tax obligations.

With the current system appraised values are explainable, accurate, and defensible.

What happens when property values fall? It would take multiple cycles to recognize a declining market with the proposed legislation.

The legislation does little to clarify how new construction will be treated or how new property splits or combinations will be accounted for. These are items that must be addressed.

Since the late 1980's the State of Kansas has worked to ensure a uniform and equal basis of taxation.

Recent legislation such as the Revenue Neutral Rate/Truth in Taxation, Golden Years, elimination of the statewide 1.5 mil, and recent changes/expansion to Homestead provisions are positive steps in the direction. Research suggests these measures are far better at addressing tax payer discontent when it comes to property taxes. Allow these legislative measures the opportunity to play out.

Respectfully,

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