

SB 536 Neutral Testimony
Senate Committee on Assessment and Taxation
Requiring political subdivisions to adopt a budget that remains at or below revenue neutral and use funds to reduce property tax in order to receive local ad valorem tax reduction fund (LAVTRF) distributions.
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Chair Tyson and Members of the Committee,

We appreciate this opportunity to submit testimony for SB 536, which Requiring political subdivisions to adopt a budget that remains at or below revenue neutral and use funds to reduce property tax in order to receive local ad valorem tax reduction fund (LAVTRF) distributions. We hold the following positions on SB 536.

1. SB 536 holds local government budgets at revenue neutral or better
2. SB 536 violates local control

SB 536 holds local government budgets at revenue neutral or better

SB 536 addresses the skyrocketing growth of property taxes by targeting local budgets that receive LAVTRF disbursements. LAVTRF was last funded in 2003. Using the Kansas Department of Revenue’s annual report, we can see that county property taxes grew by an average of 7.5% in its last five years. Property taxes in 2022, were 6.4% higher than last year.¹ SB 536 provides an enforcement mechanism to ensure localities lower property tax burdens.

SB 536 violates local control

“Local control” often refers to the degree of autonomy or decision-making authority granted to local entities, such as school districts or municipalities. A common belief among Kansans and policymakers is that local governments should have as much authority as possible over their affairs, policies, and administration.

SB 536 violates local control by making more local government financially dependent on state government. While benign at the onset, SB 536 entices local government officials to make decisions based not on their constituents but on the state government and its ability to transfer funds into the LAVTRF. Moreover, SB 196 creates a standard and opportunity for even further violations of local control by state government.

For these reasons, we urge the committee to consider SB 536 in its current form.

¹ Kansas Department of Revenue, “2023 Annual Report”, <https://www.ksrevenue.gov/pdf/ar23complete.pdf>