



House Committee on Taxation

Testimony in Support of House Bill 2815- Eliminating LAVTR, reducing statewide 20-mill property tax Presented by Eric Stafford, VP of Government Affairs, Kansas Chamber

Wednesday, March 13, 2024

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large-sized businesses across the state, advocating for policies which improve the economic climate in Kansas. We appreciate the opportunity to testify in support of House Bill 2815, which eliminates the local ad valorem tax reduction fund, and reduces the statewide education mill rate from 20 to 18, protecting Kansans from future increases caused by changes in the valuation of property. The state through the general fund would make up the difference.

Property taxes are some of the most opposed form of tax among homeowners and businesses. In our 2023 Kansas Chamber CEO Poll of business leaders across Kansas (not specifically Kansas Chamber members), 69% felt property taxes needed to decrease, as opposed to 2% who felt it needed to increase.

Kansas has one of the highest commercial/industrial property tax burdens in the country according to the Lincoln Institute. In fact, in our December CEO poll of Kansas business owners, 69% felt property taxes need to be reduced. From 1997 to 2010, Kansas saw property taxes increase 94% in those 13 years- part of which was during the last time LAVTRF was fully funded when property taxes grew at a faster rate than when the state did not fund the program. Those numbers have only gotten worse with the exploding post-pandemic home valuations. We do not believe it is good public policy to collect taxes through one government entity only to pay another, with no strings attached. Therefore, the elimination of this statutory requirement that is simply waived annually is a good thing.

Additionally, HB 2815 proposes to reduce the statewide 20-mill levy to 18, and freezes any potential increase for property taxes and makes up for that increase through the state general fund. As a state legislature, your ability to limit stealth property tax increases is limited and this step here is a positive one for property owners in a way that doesn't negatively impact education funding.

In conclusion, we believe House Bill 2815 is sound public policy. Thank you for the opportunity to testify in support of House Bill 2815, and I'm happy to answer questions at the appropriate time.