



March 8, 2024

To: Kansas House Taxation Committee

RE: Opposition to HB 2815

Honorable Members of the Kansas House of Representatives Committee on Taxation:

We write to express opposition to House Bill 2815, abolishes the Local Ad Valorem Tax Reduction Fund and City/County Revenue sharing fund, while also reducing the state mill levy.

In general, this would cost communities by shifting the cost burden of services from certain businesses to residential property owners.

The Newton City Commission supports restoring the longstanding partnership between the State of Kansas and local governments to control property taxes known as the Local Ad Valorem Tax Reduction Fund (LAVTR). This time-tested partnership, started in 1937 and cancelled in 2003, provides dollar for dollar reductions in property tax bills. This transfer helps municipalities deliver high quality core services to our residents while reducing property taxes. Our Newton City Commission has worked hard with City Staff on a long-range plan to stimulate economic growth in our community that has been noticeably successful. Restoring LAVTR funds will allow Newton to provide property tax relief directly to our local taxpayers while continuing to embrace the growth of business in our local community, thereby providing additional revenue to the state of Kansas.

Historical data shows when LAVTR was fully funded, it reduced the property tax burden on citizens and lowered local mill levies. Current sales tax collections include a portion that is supposed to be remitted to provide this tax relief. Elimination of LAVTR is a broken promise to cities and Kansans that has allowed the state to keep these dollars instead of returning them to cities and citizens that would be used for local ad valorem tax relief.

The City joins the State Legislature in relishing the great news that the State of Kansas has a great ending balance, a surplus of funds. Honoring this decades-old agreement to lower property taxes by funding the LAVTR will benefit all of Kansas.

We would be happy to provide additional comments as needed or requested and thank you for your time in receiving our stance on this matter.

Sincerely,

Rod Kreie, Mayor
Daniela Rivas, City Manager

cc: Chris Towle, City Attorney
Denise Duerksen, City Clerk