



**Senate Committee on Assessment and Taxation
Hearing on Senate Bill 196
Hearing Date – January 11, 2024**

**Written Testimony regarding SB 196 on behalf of the City of Manhattan
By Ron Fehr, City Manger**

Good afternoon, Chair Tyson, Vice Chair Peck, and Honorable Members of the Senate Committee on Assessment and Taxation.

The City of Manhattan (City) supports Senate Bill 196. SB 196 reinstates transfers from the local ad valorem tax reduction fund (LAVTRF) to cities and counties.

- The State Legislature is required by K.S.A 79-2959 and 79-2961 to help relieve the burden on property taxpayers by funding the LAVTRF program, which has not occurred since 2002. The LAVTRF partnership is a better way to influence property tax rates than past controls such as imposing tax lids on local governments.
- When LAVTRF transfers ceased, the City was receiving in the range of \$500,000 per year, with yearly incremental increases. Today, the City estimates nearly \$12,165,379 in lost revenue over the last 21 years. Considering the distribution formula and growth in Manhattan and Riley County, this estimate is conservative in nature.
- The absence of LAVTRF transfers over the past two decades has negatively impacted initiatives supported by general funds across the state and has resulted in a greater burden on city and county property taxpayers.

For all the reasons stated above, the City of Manhattan supports SB 196 to reinstate transfers from the LAVTRF to cities and counties. Thank you for your time and consideration.