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To: House Taxation Committee

From: Mark Tomb, VP of Governmental Affairs

Date: 3/13/2024

Re: Written Testimony in Support of HB 2815

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide testimony in support of HB 2815, legislation that would remove from state law the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund, discontinue certain transfers to the Special City and County Highway Fund and decrease the rate of the Statewide School Levy.

The Kansas Association of REALTORS® represents over 11,000 members involved in residential, agricultural and commercial real estate and has advocated on behalf of the state's property owners for more than 100 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

REALTORS® believe that real estate is burdened with an excessive share of the constantly increasing cost of state and local government. While we realize the importance of many programs funded through property tax revenues, we believe tax revenues should be equitably collected from a variety of sources and encourage taxing jurisdictions to consider the negative impact to the housing market associated with any potential increase in property tax rates.

The Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund are state revenue sharing programs that ended more than 20 years ago yet still retain a confusing and unnecessary place in state law. This is revenue that local governments are no longer expecting and that the state is not likely to fund in the same way ever again. Any new incarnation of a revenue sharing program would need to have more effective local parameters that actually tie a reduction of property taxes to any sharing of state revenue.

HB 2815 would also decrease the dependence on property taxes <u>but not the obligation to fully fund public schools</u>. Lowering the current 20 mill statewide levy over time would bring much needed property tax relief directly to the taxpayer. In conclusion, KAR supports HB 2815 and is encouraged by this bill and similar proposals that would reduce the disproportionate property tax burden experienced by Kansas taxpayers. Thank you for your time and consideration of our testimony.