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To: House Committee on Taxation
From: Spencer Duncan, Government Affairs Director
Date: March 13, 2024
RE: HB 2815 – LAVTR and City/County Revenue Sharing Funds Elimination
In Opposition – Verbal Testimony

Thank you to the Chair and Committee for the opportunity to provide this testimony.

The League of Kansas Municipalities respectfully asks that you remove New Section 1 and New Section 2 from HB 2815, and not eliminate the Local Ad Valorem Tax Reduction Fund or the City & County Revenue Sharing Fund. We also respectfully request that you ask for an interim to take place before the 2025 session so city, county and state representatives can have a fully formed and informed conversation about the future of these funds.

As a collective – Cities, Counties, State – we are directly connected and need to better operate in a manner that recognizes this nexus. City Governments and the State Legislature need to work cooperatively on the development of tax policies. In doing so, we will better craft tax policies that fulfil the essential needs of each unit of government while reducing taxes.

For too long on this issue, we have cross talked over one another without addressing the concerns of either level of government. The Legislature has concerns that LAVTR funding may not be used as intended by local governments to directly reduce property taxes, and cities can address those concerns in meaningful ways. Cities are frustrated that when LAVTR was put in place, they gave up established revenue sources in exchange for a promise that a portion of these funds would be returned to cities, and we believe the Legislature understands this frustration and can address it in meaningful ways.

We cannot manage this issue in these hearings held during the session to move other tax policies forward. We can have these conversations with an interim committee focused on addressing this singular issue.

This committee can remove New Sections I and II, pass out the remainder of the legislation and put the issue of the long-term future of the funds up for discussion between now and the 2025 session. We ask that you keep this spirit of cooperation and collaboration in mind as you make policy decisions and know that we at the League are spreading this message to the cities of Kansas.

Thank you for your time and consideration of these issues. I am always available to provide additional information and answer any questions you have.

Spencer Duncan

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