



**House Committee on Taxation
Hearing on House Bill 2815
Hearing Date – March 13, 2024**

**Written Testimony regarding HB 2815 on behalf of the City of Manhattan
By Ron Fehr, City Manger**

Good morning, Chair Smith, Vice Chair Bergkamp, and Honorable Members of the House Committee on Taxation.

The City of Manhattan (City) opposes House Bill 2815 which abolishes both the Local Ad Valorum Tax Reduction (LAVTR) and the City/County Revenue Sharing Funds.

- 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 LAVTR program, which has not occurred since 2002. The LAVTR was established to use sales tax as a means to reduce the property tax impact to local taxpayers. This partnership is a better way to influence property tax rates than past controls such as imposing tax lids on local governments.
- The abolishment of this fund will negatively impact initiatives supported by general funds across the state and result in a greater burden on city and county property taxpayers.
- When LAVTR transfers were present, the City was receiving in the range of \$500,000 per year, with yearly incremental increases. The elimination of these funds, which are already paid by local residents through sales tax, is a broken promise to cities and Kansans, while also allowing the state to keep these dollars instead of returning them to cities and citizens to reduce tax rates.

For all the reasons stated above, the City of Manhattan opposes HB 2815 and asks you not abolish the LAVTR Fund for cities and counties. Thank you for your time and consideration.