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To: Senate Assessment and Taxation Committee  
From: Mark Tomb, VP of Governmental Affairs  
Date: 3/20/2024

Re: Written Testimony in Support of Property Tax Relief in HB 2844

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide written testimony in support of HB 2844, legislation that makes numerous changes regarding state taxes. Changes include increasing the residential exemption for the Statewide School Levy up to \$80,000, reducing the Statewide School Levy rate to 18 mills, and repealing the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund. KAR's testimony will focus specifically on these property tax policy provisions.

#### **Statewide School Levy**

KAR has argued in recent years that the residential exemption has not remained meaningful because, without being increased, the exemption failed to keep pace with inflation or home values. This legislation would restore the exemption closer to its intended level of property tax relief when the exemption was first created. In addition, this legislation includes an annual adjustment to allow this exemption to adjust over time. While we support the \$80,000 exemption included in this comprehensive tax relief plan and would request the House Taxation Committee consider a \$100,000 exemption that has been included in nearly all recent comprehensive tax relief plans.

This legislation would also decrease the dependence on property taxes but not the obligation to fully fund public schools. Lowering the current 20 mill statewide levy to 18 mills would bring much needed property tax relief directly to all property taxpayers.

#### **LAVTRF and CCRSF**

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. There is no longer a need to include these programs in statute and KAR supports their removal.

In conclusion, KAR supports HB 2844 and is encouraged by this bill and similar proposals that would reduce the property tax burden experienced by Kansas taxpayers. This is meaningful property tax relief for Kansans and is worthy of support. Thank you for your time and consideration of our testimony.