



KANSAS
ASSOCIATION OF
COUNTIES

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House Taxation Committee
March 20, 2024
HB 2844

Kansas Association of Counties
Neutral Testimony – Written Only

Chairman Smith and members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer neutral testimony on HB 2844, a comprehensive tax bill which would, among other things abolish the local ad valorem tax reduction fund (LAVTR) and the county and city revenue sharing fund (CCRS). KAC opposes eliminating revenue sharing programs but is neutral on the remaining provisions contained in the legislation.

The concept of revenue sharing between the state and local governments has existed since 1937. As the great depression wound to a close, state leaders felt it prudent to help local governments keep property taxes down by sharing state revenues with local governments. This partnership continued in various forms until the 1960's, when LAVTR was formally placed into statute.

These distributions ceased in 2003 and have not been revived. Instead, the state has kept it.

When the state took over revenues from cigarette and liquor taxes, that revenue, which had previously been collected at the local level, was replaced through an agreement to share revenues with cities and counties through CCRS. This was memorialized in statute in 1978 in a state and local partnership.

These distributions ceased in 2003 and have not been revived. Instead, the state has kept it.

LAVTR was designed to help offset the local property tax burden with state sales tax receipts. That revenue has been lost locally, with the state keeping that revenue instead.

CCRS was designed to replace the lost tax revenue of cigarette and liquor taxes. The state agreed to replace that lost revenue with CCRS. That revenue has been lost locally, with the state keeping the revenue instead.

Rather than keeping this revenue at the state level, KAC respectfully asks the committee to restore these partnerships with local governments.

Thank you for the opportunity to present this perspective on this legislation.

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