



# *Testimony*

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## **Repeal of the Local Ad Valorem Tax Reduction Fund House Bill 2400**

**Delivered March 17, 2015  
House Tax Committee**

The Unified Government of Wyandotte County/Kansas City opposes House Bill 2400 which repeals the Local Ad Valorem Tax Fund statute.

The Unified Government urges the Legislature to restore its commitment to reducing city and county property taxes by following state law and honoring previously made commitments. This includes include reinstating the Local Ad Valorem Tax Reduction (LAVTR) program. Under LAVTR, sales tax dollars shared with local governments are directly applied to lowering property tax levies. This time-tested partnership—cancelled in 2003—provides dollar for dollar reductions in property tax bills. This partnership is a far better way to influence property tax rates than artificial and arbitrary controls such as caps on assessed valuations or tax and spending lids on local governments.

The Kansas Legislature has contributed to increased property taxes by shifting the cost of providing services and programs from state government to local governments. The Kansas Legislature should renew a partnership and cooperative spirit with city, county and school leaders to address the issue of increasing property taxes caused by the shifting of costs from state government to local governments and schools.

The Kansas Legislature should not continue solving its budget shortfalls by taking revenues belonging to or legally obligated to city and county governments and should reject placing more of the burden for funding vital services on local taxpayers.

The LAVTR Fund is a contractual agreement between the State and Local Governments. Cities traded away taxing authority to the State in exchange for sharing in a percentage of sales tax revenues. The Kansas Legislature and several Governors have ignored this agreement, broken the contract and now HB 2400 calls for just tearing up the contract and acting like it never existed.

The Unified Government urges you to leave the statute on the books and at least keep the appearance that the Legislature may someday honor its commitments and keep its promises.