

House Taxation Committee – Rep. Adam Smith, Chair

SCR1611 – Oppose

The role of the County Appraiser’s Office is to ensure the uniform distribution of the jurisdiction’s total tax burden. Fair market value, as of January 1, is the basis in which that is accomplished.

Any proposed legislation needs to maintain that fair market value, as of January 1, be certified by the County Appraiser to ensure the uniform distribution of property taxes.

By having some properties valued at fair market value while other properties are valued at a value not to exceed 4% from the prior year creates significant inequities in property tax obligations. This has the potential of leading to another statewide reappraisal.

In considering SCR1611 the question needs to be asked what is the goal?

The proposed legislation does nothing to guarantee or ensure “lowering taxes”. The nature of the property tax formula allows it to be adjusted to collect the required tax dollars to satisfy the budgets of the various taxing entities.

At the very least, this will create a shift in tax obligation between less desirable/slower growth properties valued closer to their fair market value compared to highly desirable/higher growth properties.

This legislation may make values more stable and more predictable but with no assurances to lower property taxes. It further creates an uneven distribution of property tax obligations.

With the current system appraised values are explainable, accurate, and defensible.

What happens when property values fall, yet the new market value still exceeds a 4% increase from the prior year? The current system accounts for this with annual fair market values.

The legislation does little to clarify major exemptions mentioned in the language. Many questions remain related to new construction, transfers, splits and combinations, changes in classification, these are items that must be addressed.

Since the late 1980’s the State of Kansas has worked to ensure a uniform and equal basis of taxation.

Recent legislation such as the Revenue Neutral Rate/Truth in Taxation, Golden Years, elimination of the statewide 1.5 mil, and recent changes/expansion to Homestead provisions are positive steps in the direction. Research suggests these measures are far better at addressing tax payer discontent when it comes to property taxes. Allow these legislative measures the opportunity to play out.

Respectfully,

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