

Kansas Statehouse  
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Room 241 South  
Topeka, KS 66612



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Laura Kelly, Governor

Property Tax Subcommittee

Chairman: Anthony Hensley

Trey Cocking • Chris Courtwright • Roger Hamm • David Harper • Don Hineman  
Will Johnson • Sean Robertson • Rick Piepho • Susan Sherman

# **Property Tax Subcommittee Report**

## **1. Use of Relatively Unrestricted Federal Aid in American Rescue Plan**

The subcommittee wishes to underline a previous recommendation made by the full Tax Council regarding the importance of the state/local aid component in the American Rescue Plan currently under consideration by Congress, which at this time would provide over \$2.7 billion for Kansas and its local units of government (\$1.6 billion for the state; and \$1.1 billion for local units). This money is especially critical given the stress that the pandemic has placed on the public sector at all levels.

Local units should consider using money received to make one-time capital improvements or other infrastructure investments, effectively reducing the amount of debt incurred that otherwise would have been backed by property taxes; or to help defray the public sector impact of February's energy price spikes. As Olathe Assistant City Manager Susan Sherman has noted, long-term infrastructure investments stimulate the economy and continue to pay dividends by facilitating safe and reliable transportation and services for residents and businesses alike.

The state should similarly seek to limit the amount of any one-time federal funds received from being built into agency budgets or providing permanent ongoing tax cuts, with the exception of a relatively small amount that could be targeted for residential property tax relief. The state should consider expanding the "homestead" property tax exemption applicable to the mandatory school district general fund property tax levy beyond its current level of \$20,000 and doubling it to \$40,000 – effectively targeting

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any and all additional property tax relief to residential property. (Funding this proposal would reduce receipts from the levy by less than \$50 million per year.)

**2. SB 13 – Replacement of Current Tax Lid with “Transparency” Provisions**

The subcommittee supports the version of SB 13 approved by the House Taxation Committee, including a number of amendments relating to timing and implementation of the new notification procedures. The committee also strongly supports the exemption for local taxing subdivisions levying less than \$100,000 in property taxes.

**3. SB 72 – Qualification and Education of County Appraisers**

The subcommittee recommends against enactment of SB 72. The elimination of certain International Association of Assessing Officers designations as a path to becoming a county appraiser would cut into an already small pool of those eligible to be appraisers, and the education provided to county appraisers should be administered by the oversight entity to which they answer (PVD instead of the Kansas Real Estate Appraisal Board).

**4. SB 23 – Property Tax Relief for Certain Storm-Damaged Property**

The subcommittee recommends against expansion of existing authority by county commissions to abate taxes on certain property damaged by tornados, floods, fire or

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storms as proposed in SB 23. Given that in many cases, counties may be levying far less than other taxing subdivisions, especially schools, if damaged property (much of which is insured in any case) is to receive some form of property tax relief, it should be provided through the State General Fund pursuant to a refundable income tax credit. This approach is similar to the one utilized in Oklahoma and other states and was recommended by a 2007 interim study by the Kansas Special Committee on Assessment and Taxation. The Tax Council may consider forwarding this recommendation to the House Taxation Committee, where abatement legislation is under review.