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

SB 13 Trailer Legislation (HB 2104)

Former Representative and retired school administrator Jim Karleskint presented on behalf of the United School Administrators of Kansas regarding efforts to amend reporting, hearing, notification, and certification requirements for schools after they were added to the legislation by a House floor amendment without a hearing in the House or Senate.

Public school advocates, county clerks, and other local officials have been working to amend the legislation, focusing on adjusting statutory budget deadlines to make the law more feasible for schools and counties. The subcommittee observed that as a result of the program's inclusion of the 20 mill USD general fund levy, it is likely that this will cause an additional round of notifications and public hearings in every district in the state every year. Under the statute, the mailing costs for the annual notification due to the statewide mill levy for schools will be covered by the state of Kansas for the first two years it is in effect.

Hypothetical Property Taxpayer

The subcommittee heard a hypothetical taxpayer presentation from the Institute for Policy & Social Research at the University of Kansas. Their model has been updated to include property and vehicle taxes (alongside sales and income tax). A request was made to continue work to develop an analysis of that includes how property taxes affect renters as well as homeowners. The subcommittee also requested the inclusion of an additional county with an acutely high mill levy to provide a clearer picture of the tax rates in different parts of the state.

Local Government Update

The League of Municipalities and the Kansas Association of Counties shared that they are advising many of their members to use American Rescue Plan funds for capital improvements, infrastructure, or debt reduction and other one-time expenses. This is in line with recommendations from the Property Tax Subcommittee and the full Council on Tax Reform.

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American Rescue Plan Act Reporting

The subcommittee also recommended keeping lines of communication open with the League of Kansas Municipalities and the Kansas Association of Counties regarding development of a state database to track the ultimate disposition of American Rescue Plan monies, while acknowledging that many smaller jurisdictions will struggle with capacity issues to meet significant additional reporting requirements in addition to what is required by law.

Requests for Additional Information

At its next meeting, the subcommittee requested the following information:

- A report from the State Board of Tax Appeals regarding caseloads and the causes of any delays due to COVID or staffing levels at SBOTA.
- An update from Senate Assessment and Taxation Ranking Minority Senator Holland regarding his Golden Years property tax proposal.
- A discussion of the impact of a full or partial implementation of the Dark Store Theory on residential and other parcels not given the same treatment.
- An update on remaining property tax issues in play heading into the veto session.
    - Does comprehensive data exist to determine the extent to which businesses that would qualify under property tax refund legislation may have already benefited from taxpayer-funded relief programs?
- Strategies for targeting any expansion of the $20,000 homestead exemption such that it would only include parcels valued below a certain threshold.