

House Committee on Taxation – Adam Smith, Chair  
HCR 5025 – In Opposition  
3/19/2024, 3:30 PM, Room 346-S

Mr. Chairman and members of the committee,

My name is Michael Plank, and I am the County Appraiser for Reno County, KS. I am providing this written testimony today in opposition of HCR 5025. This legislation raises several questions and concerns:

- Logistics of identifying all parcels less than 10 years old
- What the effect would be on calculations for NRPs, TIFs, RHIDs, etc.
- The effect on the appeals process – could someone appeal all years or just the most recent one?
- Concern regarding additional costs (to taxpayers) of computer system adjustments and/or additional staff to handle these changes.
- And perhaps most importantly, at some point, the taxable values will increase during a recession or decline in the housing market. Imagine the public outcry when that happens.

Additionally, if the goal of this legislation is to lower property taxes, it will not have that effect. If a taxing entity sets a budget, the dollar amount of taxes collected are going to match that budget regardless of what values are set.

Consider this example: Even if I doubled all of the values in Reno County in the next appraisal cycle, it wouldn't change the dollars collected by local taxing authorities. Assuming they stayed revenue neutral, property owners of Reno County wouldn't see an increase at all in this scenario. Neither would they see a reduction if values were cut in half. Because, the money needed for local government hasn't changed. Therefore, all this legislation will do is perpetuate the insinuation that appraisers are responsible for property tax increases, when in general we simply report on the market.

There are other methods available to the legislature if the intent is to address the rising property tax burden, especially on low income or elderly taxpayers. The recent Truth in Taxation and Revenue Neutral Rate legislation was a good start. Expanding homestead exemptions and credits, lowering the residential assessment rate, increasing the residential exemption from the state levy, lowering the state's school mil levy, funding LAVTR (KSA 79-2959), or banning hypothetical leased fee (dark store theory) appraisals are all options to consider.

Professionally, as a county appraiser, I will value however the legislature instructs me to value. I do think it is important to maintain reporting actual fair market values to homeowners and the Kansas Department of Revenue, Property Valuation Division (PVD) on an annual basis utilizing standard appraisal practices. After all, not doing so would violate at least six current statutes (KSA 79-411, 79-501, 79-503a, 79-1439, 79-1455, 79-1476).

Personally, as a taxpayer, homeowner, and voter, this legislation is concerning as it quickly becomes regressive and compounds over time. A \$40,000 property that hasn't seen much appreciation over the past 10 years won't see much of a change. However, a \$400,000 property that has seen significant appreciation over the last 10 years would get an immediate benefit. The property tax burden will shift from the high-end to the low-end; lower valued property will continue to pay property taxes at or very near their true fair market value, while higher valued property will likely be assessed significantly under their true fair market value. And that just doesn't seem fair to me.

Thank you for the opportunity to present this testimony to the committee.



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