

June 10, 2020

The Honorable Laura Kelly Governor of the State of Kansas Capitol, 300 SW 10th Avenue, Suite 241S Topeka, KS 66612

Dear Governor Kelly,

As I'm sure you know, Kansans have been hit with enormous property tax increases over the last twenty years. Property tax on real estate jumped 222% since 1997, which is more than four times the rate of inflation, and Kansas now has some of the highest effective property tax rates in the nation.

Paying property tax this year is an even greater burden on people and business owners who have been hit hard by the economic consequences of the COVID situation.

But there is a bit of good news. Idaho Governor Brad Little <u>announced this week</u> that he's using up to \$200 million of the state's federal coronavirus relief funds to provide property tax relief. Governor Little's press release says he is giving that money to local governments "that agree to pass along the resulting budget savings to Idahoans in the form of property tax relief."

The only problem with that is there is no way to ensure that taxpayers actually see a reduction in their property tax bill. Kansas tried this with the Local Ad Valorem Tax Reduction program (LAVTR) but there were still big tax increases during those years.

You could guarantee property tax reduction in Kansas and greatly simplify the process by authorizing a one-time reduction in the 20 mills of property tax collected for schools.

The Governor's Budget Report estimates that the 20 mills will bring in \$733 million in Fiscal 2021, or about \$36.65 million for each mill of property tax. You could instruct county treasurers to reduce the school property tax by 6.8 mills and provide \$250 million in property tax relief, backfilling the education fund with federal coronavirus relief funds.

You've already allocated \$400 million of the \$1.25 billion received from Congress to local governments. Giving \$250 million in much-needed property tax relief would still leave \$650 million for the state to spend.

Homeowners and business owners need a break in these stressful economic times. You have the authority and the federal stimulus funds to make life a bit easier for millions of people.

Thank you for your consideration.

Sincerely,

Dave Trabert Chief Executive Officer

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