

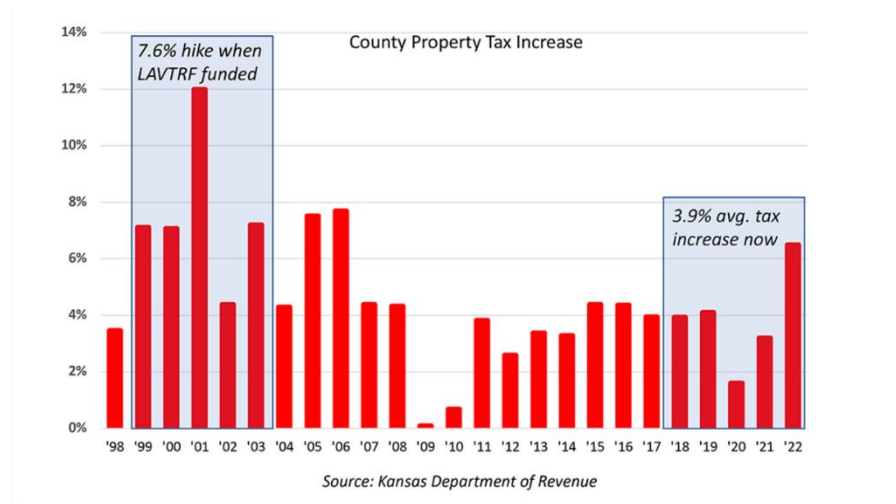
HB 2815 Proponent Testimony - in person
Abolish LAVTR / reduce school property tax to 18 mills
House Taxation Committee
Dave Trabert, CEO
March 13, 2024



Chairman Smith and Members of the Committee,

We are pleased to present testimony in support of HB 2815, which eliminates the Local Ad Valorem Tax Reduction statutory language and reduces the state-imposed property school property tax from 20 mills to 18 mills.

LAVTR did not result in local property tax reductions when it was in place. In the last five years it was funded (1999 – 2003), county-imposed property taxes increased by an average of 7.6%. That is almost twice as much as the current five-year average of 3.9%.



Removing the LAVTR language from the statutes makes sense because the

program hasn't been funded since 2003. Keeping it statute, however, compels its inclusion in the Consensus Revenue Estimates and results in lower revenue estimates than are likely to occur.

Reduce the state-mandated school property tax from 20 mills to 18 mills

Reducing the state-mandated school property tax from 20 mills to 18 mills is more than the obvious 10% reduction in the rate. HB 2815 also requires the rate to be reduced each year so that new valuations produce the same dollar amount of property tax as was collected in the 2025-26 school year.

However, The reduction does not impact school funding, which is funded through the school property tax fund and income and sales taxes in the General Fund. Collecting less school property tax just means more funding will be provided from income and sales taxes.

We encourage the Committee to approve HB 2815 and we appreciate your consideration.