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Dear Editor:

We understand the significant impact of high property taxes on our valued residents and local businesses. The Russell City Council and dedicated city staff are fully committed to alleviating this burden. We want to highlight the tireless efforts of the City of Russell's leadership in keeping property taxes as low as possible, and we urge our fellow citizens to join us in advocating for a change that will make a real difference in our community.

Our city council is dedicated to making informed decisions that align with the needs and values of our residents. Each year, they face the challenge of balancing various costs against perceived benefits while crafting a budget that serves Russell's best interests. Russell has a track record of prudent fiscal management, consistently prioritizing the community's needs and values.

In 2014, our city's property tax revenue stood at \$1,612,623. By 2023, it had only modestly increased to \$1,776,467, reflecting a 9.2 percent rise over a decade. However, this increase pales compared to the cumulative inflation rate of 27.90 percent during the same period. Had we merely kept up with inflation, we would have had to collect \$2,062,499 in property taxes to maintain the same purchasing power as in 2014. We have been well below this threshold, underscoring our efficient resource utilization. This includes strategic staff alignment, cost-effective solutions, and a relentless pursuit of alternate funding sources, such as grants, which have brought over \$30 million to our city over the past decade.

Despite our efforts, property taxes continue to concern our community, and we firmly believe more can be done to lower them. One effective solution unavailable for the past 20 years is the Local Ad Valorem Tax Reduction Fund (LAVTR).

The LAVTR, established in 1965, mandates that a portion of sales tax, compensating use tax, and local share of certain taxes collected by the State of Kansas should be returned to local governments. These funds can be used to reduce property tax levies, providing genuine cost savings for our citizens. Unfortunately, this partnership was effectively canceled in 2003 when the Kansas legislature ceased allocating funds, a practice that continues today. As a result, local governments have missed out on over \$1.7 billion in revenues collected by the state, effectively causing taxpayers to pay these taxes twice, once at the store and then again with their property taxes.

Additionally, in 2006, the Kansas legislature exempted new machinery and equipment (M&E) from property taxation, and while the LAVTR fund was partially reinstated to mitigate the impact on local budgets, cities and counties did not receive LAVTR payments.

Russell's ability to avoid raising property taxes in line with inflation is becoming increasingly challenging. The loss of other funding streams and rising materials and labor costs mirror our residents' household and business budget challenges.

We credit our ability to maintain a steady mill levy to the dedication of the city council, the pursuit of alternate funding sources like grants, and our efficient resource management. Over the last decade, the city has secured over \$30 million in grant funds, enabling vital infrastructure projects, equipment purchases, and quality-of-life improvements that would have otherwise been out of reach.

However, we have reached a point where we can no longer do more with less. The escalating costs of serving our community demand action. The Kansas legislature must fund LAVTR and provide genuine property tax relief to our residents and businesses.

The May 2023 memo from the State's Consensus Revenue Estimating Group predicts a substantial increase in tax collections by the State for FY2024, along with a significant ending balance in the state general fund and a deposit into the budget stabilization fund. These predictions present a unique opportunity for the Kansas Legislature to make a real difference in the lives of taxpayers and local governments.

Recent legislative attempts to lower property taxes have proven ineffective. However, funding LAVTR offers a promising solution. By supporting LAVTR, the legislature would acknowledge the dedication of the city council, which empathizes with the challenges faced by taxpayers and has consistently strived to keep property taxes stable while delivering essential services to our community.

We believe that by working together at the state, county, and city levels, we can address the issues surrounding Kansas's tax base, secure funding for LAVTR, and responsibly manage the property tax burden on our fellow Kansans. It's time for action; together, we can make a meaningful change that benefits us all.

Sincerely,

Jon Quinday, ICMA-CM
City Manager