



KANSAS CITY REGIONAL
ASSOCIATION OF REALTORS®

MODEL PROPERTY TAX RELIEF ORDINANCE

For Adoption by Cities & Counties



Model Property Tax Relief Ordinance

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SECTION 1. TITLE, AUTHORITY, PURPOSE, AND PROPERTY RIGHTS

1.1 Title and Authority

This Ordinance shall be known and may be cited as the “Property Tax Relief Ordinance.” It is enacted pursuant to the Jurisdiction’s home-rule, charter, and police powers to protect public health, safety, and welfare; to administer taxation and budget processes transparently; and to safeguard residents from involuntary displacement while preserving constitutional and statutory private property rights.

1.2 Legislative Findings and Objectives

The governing body finds that:

- (a) Rapid assessment growth and uneven incentive practices can destabilize housing for seniors, disabled residents, and moderate-income households;
- (b) Transparent, revenue-neutral budgeting and disciplined assessment practices improve public trust;
- (c) Shifting tax burden away from improvements and toward land value can promote productive land use; and
- (d) Coordinated regional fiscal tools reduce harmful tax-base competition and help keep residential rates stable.

Objectives:

- (1) Strengthen and automate enrollment in senior/disabled property-tax relief programs;
- (2) Cap or phase-in unusually large assessment increases while preserving changes due to physical improvements or change in use;
- (3) Codify Truth-in-Taxation style notice and hearing practices and revenue-neutral budgeting;
- (4) Pilot split-rate (land-value) taxation where authorized, or seek enabling legislation;
- (5) Offer a local property-tax deferral option for equity-rich, cash-constrained owner-occupants as permitted by law;
- (6) Reform economic-development incentives with “but-for” tests, sunsets, community benefits, and public dashboards; and
- (7) Pursue regional tax-base sharing to reduce inter-jurisdictional disparities.

1.3 Property Rights; Least-Restrictive Means

All regulations and procedures in this Ordinance impose only reasonable, objective, and narrowly tailored measures necessary to protect the public interest; they shall employ the least-restrictive means available and avoid de facto prohibitions on lawful use or alienation of property.

1.4 Equal Treatment; Nondiscrimination

Relief and protections created by this Ordinance shall be administered uniformly without regard to race, color, national origin, religion, sex, familial status, disability, age, veteran status, or other protected classes under applicable law.

SECTION 2. DEFINITIONS

Attainable Household: A household with income at or below [] % – [] % AMI, as adopted by the Jurisdiction.

Automatic Enrollment: A process allowing the Jurisdiction to enroll eligible property owners into relief programs using existing administrative data, with notice and opt-out rights.

Change in Use: A change in a property’s primary classification or legally recognized use under state law.

Deferral Program: A program allowing qualified homeowners to postpone payment of eligible property taxes, subject to a recorded lien and repayment upon transfer, sale, or death.

Land Value Tax (LVT)/Split-Rate: A taxation method applying a higher rate to the land portion of a property and a lower rate to improvements, when authorized by state law.

Revenue-Neutral Rate (RNR): The mill levy that would generate the same ad valorem revenue as the prior year, given current valuations and excluding new construction or annexation.

Substantial Physical Improvement: New construction or major structural additions that increase gross living area or materially alter the property beyond routine repair.

Vulnerable Owner-Occupant: An owner-occupant who is (i) [65+], (ii) permanently disabled, or (iii) under [] % AMI, as defined by Jurisdictional policy.

SECTION 3. ENHANCED CIRCUIT-BREAKER & HOMESTEAD RELIEF; AUTOMATIC ENROLLMENT

3.1 Coordination with State Programs (Kansas & Missouri).

(a) The Finance Officer shall identify eligible owner-occupants for:

- Kansas Homestead (K-40H), SAFESR (K-40PT), and Senior/Disabled Veteran Refund “Golden Years” (K-40SVR); and
- Missouri Property Tax Credit (“Circuit Breaker”) programs and any local senior freeze authorized by state law.

(b) The Jurisdiction shall provide pre-filled applications, filing assistance, no-cost notarization, and on-site events during the filing window.

3.2 Local Automatic Enrollment.

Subject to state privacy laws, the Jurisdiction shall create an opt-out automatic enrollment workflow that uses age, disability, homestead, and income proxies (e.g., local utility affordability programs) to:

(1) pre-qualify households; (2) send consent notices; (3) submit claims electronically where permitted; and (4) track refunds for taxpayer outreach.

3.3 Local Enhancements (if authorized).

(a) **Local Supplemental Refund.** The Jurisdiction may adopt a Local Homestead Supplement of up to [\$__] per year for households under [__] % AMI whose state refund is capped or who are ineligible due to an applicable state-level appraised value limit or similar eligibility threshold; the supplement phases down between [] %– [] % AMI.

(b) **Value-Cap Bridge.** Where state programs exclude homes exceeding [state cap], the Jurisdiction may provide a bridge rebate for long-time owner-occupants (at least [__] years) whose incomes are under [__] % AMI, notwithstanding appreciation above the cap.

(c) **Missouri Parity.** In Missouri jurisdictions, the governing body shall transmit a resolution and legislative language seeking state authorization to mirror Kansas-style homestead/SAFESR benefits, including an optional senior freeze with income and value caps.

3.4 Outreach & Language Access.

The Clerk shall publish plain-language guides in [languages], maintain a hotline, and partner with senior centers, disability advocates, and veterans' service organizations.

SECTION 4. ASSESSMENT INCREASE GUARDRAILS: CAPS & PHASE-IN

4.1 Annual Increase Cap (Local Policy/Advocacy).

(a) **Local Cap (to extent permitted).** The Assessor shall adopt a policy capping year-over-year taxable value increases for homesteads at [__] %, excluding Substantial Physical Improvements and Change in Use, and excluding new construction and additions.

(b) **State Action.** If state law is required, the Jurisdiction shall place on its legislative agenda (or ballot where applicable) an amendment or enabling statute to authorize a [__] % cap on taxable valuation growth for homesteads with enumerated exceptions.

4.2 Phase-In of Large Increases.

If any reassessment would increase a homestead's taxable value by > [__] % in a single year (net of improvements), the increase shall be phased-in in equal installments over [__] years, unless the owner elects immediate application to simplify escrow.

4.3 Inspection & Notice Compliance.

For any value increase \geq [__] %, the Assessor shall: (1) perform and document required physical inspections; (2) provide timely, dated notices stating the percentage change and appeal rights; and (3) offer interior inspections upon owner request. Failure to follow these requirements shall constitute grounds for administrative reduction.

SECTION 5. TRUTH-IN-TAXATION & REVENUE-NEUTRAL BUDGETING

5.1 Revenue-Neutral Hearing.

Before adopting any levy exceeding the Revenue-Neutral Rate, the governing body shall hold a public hearing noticed by mail and website publication, stating: prior-year levy, current valuations, RNR, proposed levy, the dollar impact on the median homestead, and how to participate.

5.2 Single-Subject Vote & Roll-Call.

Exceeding the RNR requires a separate agenda item and a roll-call vote. The adopted resolution shall identify the specific spending drivers necessitating the increase and a multi-year plan to return to or remain at RNR.

5.3 Data Transparency.

The Clerk shall maintain an online RNR Dashboard showing 10 years of valuations, mill levies, levy outcomes vs. RNR, and programmatic uses of incremental revenue.

SECTION 6. SPLIT-RATE (LAND-VALUE) TAXATION—PILOT & ENABLING

6.1 Local Pilot (Where Authorized).

If permitted by state law, the Jurisdiction may adopt a split-rate whereby the land mill rate exceeds the improvement mill rate by []:1 within designated zones to promote infill and reduce speculative vacancy. The pilot must be revenue-neutral at inception and accompanied by an annual impact report.

6.2 State Enabling Resolution (If Not Authorized).

If state authorization is required, the Jurisdiction adopts this Ordinance as a policy resolution urging the Legislature to authorize local split-rate options with revenue neutrality and school-district coordination.

SECTION 7. PROPERTY-TAX DEFERRAL FOR VULNERABLE OWNER-OCCUPANTS

7.1 Local Deferral Program (As Permitted by Law).

The Jurisdiction shall implement, or where necessary advocate for state authorization to implement, a homestead tax deferral for Vulnerable Owner-Occupants that:

- (a) defers [all or a percentage of] eligible property tax;
- (b) records a lien accruing [] % simple annual interest;
- (c) becomes due at transfer, sale, or death; and
- (d) includes a hardship waiver for occupied homes facing displacement.

7.2 Consumer Protections.

The Treasurer shall deliver plain-language disclosures on lien priority, interaction with mortgages/escrows, and 180-day payoff timelines after the deferral ends.

SECTION 8. REFORMED ECONOMIC-DEVELOPMENT INCENTIVES

8.1 “But-For” Causation.

Any property-tax abatement, TIF, or Chapter [100/353/EEZ or KS equivalents] assistance shall include a written, evidence-based but-for finding, supported by independent financial analysis, stating the project would not proceed as proposed absent the incentive.

8.2 Sunsets & Right-Sizing.

(a) **Term Limits.** Abatements shall sunset automatically after [] years.

(b) **Step-Downs.** Long-term abatements shall include step-downs and PILOTs to protect overlapping districts.

(c) **Clawbacks.** Agreements shall include clawbacks for unmet jobs, investment, wage, or housing-affordability commitments.

8.3 Community Benefits Agreement (CBA).

Projects receiving incentives above [\$__ or __% of project cost] shall execute a CBA addressing local hiring, living wages, affordable housing set-asides, and community amenities, negotiated with representative community stakeholders.

8.4 Transparency Dashboard.

The Jurisdiction shall publish a live Incentives Dashboard listing all active abatements (company, location, program, term, abated taxes by year, benefits delivered, and compliance status), updated at least quarterly.

SECTION 9. REGIONAL TAX-BASE SHARING (POLICY DIRECTION)

9.1 Regional Compact.

The Jurisdiction supports a **bi-state regional tax-base sharing framework** modeled on leading examples, whereby a share of commercial-industrial tax-base growth is contributed to a **regional pool** and redistributed by formula to reduce disparities.

9.2 Advocacy & Study.

The Manager is directed to: (a) convene metro jurisdictions to draft a compact and enabling legislation; (b) commission a distribution-formula study; and (c) report to the governing body within [] days.

SECTION 10. ADMINISTRATION, APPEALS, AND PERIODIC REVIEW

10.1 Administration.

The [Finance Department/Assessor/Treasurer] shall publish plain-language checklists, timelines, forms, and an online portal for relief, deferral, hearings, and incentive compliance.

10.2 Appeals.

Applicants may appeal denials or conditions to the [Hearing Officer/Board of Appeals] within [] business days; written decisions are due within [] days.

10.3 Annual Report.

By [date] each year, staff shall publish an Annual Property Tax Fairness Report summarizing: (a) automatic enrollments; (b) refunds/deferrals; (c) assessment-cap/phase-in outcomes; (d) RNR hearing data; (e) incentive portfolio performance; and (f) progress on split-rate and regional sharing.

SECTION 11. PROPERTY TAX AFFORDABILITY REVIEW COMMISSION

11.1 Establishment.

The Jurisdiction hereby establishes the *Property Tax Affordability Review Commission* (“Commission”) to conduct a comprehensive review of existing property tax levels, policies, and their impact on residents of the Jurisdiction.

11.2 Composition.

The Commission shall consist of the following members:

- Two (2) members appointed by the [Mayor/County Executive];
- Two (2) members appointed by the [City Council/Board of Commissioners];
- One (1) representative from the local REALTOR® association;
- One (1) representative from senior citizen advocacy organizations;
- One (1) representative from affordable housing organizations;
- One (1) finance or tax policy expert; and
- The [Finance Director/Chief Financial Officer] or designee, serving *ex officio*.

Members shall serve without compensation but may be reimbursed for reasonable expenses incurred in the performance of their duties. At its first meeting, the Commission shall elect a Chair and Vice-Chair from among its members.

11.3 Duties and Responsibilities.

(a) The Commission shall compile comprehensive data on property tax trends in the Jurisdiction over the past ten (10) years, including average property value changes by neighborhood, mill levy changes over time, total property tax collections compared to inflation and population

growth, and the distribution of tax burden among residential, commercial, and industrial property classes.

(b) The Commission shall conduct surveys and hold public hearings to gather resident input regarding property tax burden relative to household income, impacts on housing affordability and homeownership rates, and specific hardships experienced by seniors, persons with disabilities, and moderate-income families.

(c) The Commission shall compare the Jurisdiction's effective property tax rates and policies with comparable municipalities in the Kansas City metropolitan area and similar communities nationwide.

SECTION 12. EFFECTIVE DATE, SEVERABILITY, AND CONFLICTS

12.1 Effective Date.

This Ordinance takes effect on [__ / __ / __]. Sections contingent on state authorization take effect upon such authorization; until then they operate as policy directions.

12.2 Severability.

If any portion is held invalid, the remainder shall remain in full force and effect.

12.3 Conflicts.

To the extent of conflict with prior ordinances or resolutions, this Ordinance controls except where preempted by state or federal law.