



March 14, 2017

**To: Rep. Steven Johnson, Chair
House Committee on Taxation**

From: City of Lenexa

Re: Written testimony in support of HB 2376

Mr. Chair:

Thank you for allowing the City of Lenexa to submit testimony supporting HB 2376 which amends the elections requirements of the local government tax lid.

The City of Lenexa supports the principle of local elected officials making the decisions that voters elected them to do. The principal duty of a city council member is to listen to, understand, and respond to community needs by passing a balanced budget each year and being accountable to the metrics and spending limits set forth in that budget. Placing unnecessary restrictions on the authority of locally elected officials to make these decisions is detrimental to representative democracy and is counter to the Home Rule authority granted to municipalities that is engrained in the state constitution.

The City supports a full repeal of the local government tax lid. However, to achieve a certain level of workability given the law's implementation during FY 2018 budget discussions, changes to the election requirement are necessary. That is why the City of Lenexa supports changing the election requirement from a mandatory election to a protest petition election.

Other than stating an election can be held at the August primary, November general, special, or mail-in ballot election (to be completed by September 15th), there is little direction in current law regarding tax lid elections. This timing conflicts with the current City budget cycle and creates severely limited timelines with which to inform the public about what they are voting on.

The City begins the annual budget process early in the year. However, a final budget cannot be adopted until the City receives its valuation estimates from the County Clerk on July 1. Under current law, the City would have to finalize a budget by June 1 to include any proposed increase on an August ballot. The City could finalize its budget before it receives valuations, but that means taxpayers will not be fully informed of the taxes assessed to their property at the time the City holds hearings on the budget. Approving a



budget before valuations are received on July 1 is impractical, unfair, and misleading to taxpayers who will not know how the budget truly affects their tax bill. Furthermore, this process would require cities to build two budgets – one if a public vote is successful, a second if it is not.

There are several fundamental issues with applying a property tax lid to responsible and effective local governments. However, to balance the interests of the legislature to ensure taxpayers have another process by which to participate in the local budgeting process and the practical flexibility needed by local governing bodies to carry out their chief duty, the City supports HB 2376. We urge the committee members to support the bill as well.

Sincerely,

CITY OF LENEXA