



TESTIMONY

concerning SB 167, Property Tax Lid Repeal
Presented by Randall Allen, Executive Director
Senate Assessment and Taxation Committee
March 16, 2017

Chairperson Tyson and members of the committee, thank you for the opportunity to testify in support of SB 167. This is a bill which repeals the current property tax lid law as enacted in 2015 and modified in 2016. In a nutshell, the bill takes us back to the property tax law in effect before changes in 2015, and includes "Truth in Taxation" provisions in Section 5 (page 3) of the bill. The Truth in Taxation law provides notice to the citizens that a city or county is preparing to adopt its annual budget and that the budget will be funded from property tax revenue exceeding that of the preceding year. The Truth in Taxation law further requires that under these circumstances, the governing body must adopt a resolution and publish the vote on such resolution in the official county newspaper. We have no objections to these provisions.

We support SB 167 and repeal of the current property tax lid for several reasons as follows:

- 1) The property tax lid is disrespectful to locally elected city and county governing boards who live in their communities, are most sensitive to, and aware of, the opinions of their neighbors, and are accountable to the same voters;
- 2) City and county governing bodies operate under the provisions of the Kansas Open Meetings Act (KOMA), providing notice to the public and taking action in the light of day. Local property tax growth is constrained by taking publically recorded votes following public hearings and public comment. If the governing board gets its wrong, and misjudges the electorate, the voters can show their county commissioner or city council member or mayor the door at the next election.
- 3) Finally, enactment of SB 167 would harmonize the philosophy of governance between the state and its cities and counties. That is, the Kansas Legislature can currently manage its financial affairs without subjecting any increase in taxes (sales, property or income) to a vote of the people. If the system is good enough for the State and the Kansas Legislature, why is it not good enough for cities and counties? Why would the electorate be any smarter or more virtuous in electing the members of the Kansas Senate than in electing a county commissioner or city council member? You are all elected by the same voters. It is a double standard for cities and counties to operate under a tax lid while the state does not.

We urge the committee to act favorably on SB 167. Thank you for the opportunity to provide testimony on this measure.