

State of Kansas
Senate Chamber



Randall Hardy
Senator, 24th District

Testimony in support of Senate Bill 167

16 March 2017

Chairperson Tyson, Vice-Chairperson Kerschen, Ranking Minority Member Holland and members of the Senate Assessment and Taxation Committee:

I support Senate Bill 167. The intent of the Property Tax Lid Bill was to prevent local governments from spending taxpayer monies in a way that was contradictory to taxpayer wishes. Instead, the bill has saddled local governments with a harsh restriction on local control.

As a former Salina City Commissioner, I was a caretaker of Salina's public funds for four years, and every decision I made was with the best interest of the taxpayer in mind. In fact, I knew that if I overstepped my bounds as a commissioner, the taxpayers could voice their disapproval in the next election.

My county has been adversely affected by the property tax lid. Some of the consequences of the tax law include:

- In order to fund essential services to the citizens of Saline County in 2018, County Commissioners are pressured to make the difficult decision to reduce funding to community agencies who we partner with such as Mental Health Center, Commission on Aging, and OCCK.
- The need for increased property tax revenue requires an election. Based on a recent mail-ballot election, the costs for a county-wide mail-ballot election to the community are approximately \$55,950. A polling place election costs approximately \$46,500.
- A tax lid limits the ability to fund elective Economic Development opportunities, thus limiting job growth potential in our community. Money previously designated for economic development may now be needed to fund essential county services.
- For Saline County to remain a prosperous community we need the ability to fund those factors that will allow us to serve our community needs.
- The tax lid prevents Saline County from reacting to changing political and economic environment. Last year the sitting commissioners chose to reduce the mill levy, ignored critical funding needs to upgrade roads, failed to implement competitive wages, and neglected to properly fund for county facility maintenance. The tax lid is tying the hands of the current commission to compensate for the \$565,133 in lost property tax revenue.

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- Saline County has a long history of being debt free. Under the tax lid order to adequately fund road projects and other vital services we are mandated to bond in order to fund such projects.
- A five-year rolling Municipal Cost Index average will not guarantee the “true cost” of supplies and operating expenses such as aggregate and fuel.
- Tax lid does not allow the County to raise additional revenues to meet the rising cost of health insurance, KPERS, and other mandated benefits. Saline County’s benefits are estimated to increase \$125,380 in 2018. The county will be forced to cut funding to essential services to meet these increased costs.

Counties work to provide their citizens with services that benefit the counties, at a cost that is acceptable to the citizens. Counties should not be subjected to an arbitrary limit imposed by the legislature that may or may not respond to county needs.

I appreciate the opportunity to appear before you on this matter. I would be happy to answer any questions at the appropriate time.

Sincerely,


Randall Hardy