



March 16, 2020

Testimony Neutral on Senate Bill 294 House Taxation Committee

Chairman Johnson and Members of the House Taxation Committee:

I appear today on behalf of a coalition of Northeast Johnson County cities, presently comprised of the cities of Merriam, Mission, Prairie Village and Westwood Hills. I appreciate the opportunity to provide testimony in support of some provisions of Senate Bill 294, and continued hesitation to endorse the modifications from the bill as introduced. We originally opposed SB 294 as a direct challenge to cities' home rule authority. Committee and floor amendments have improved the bill and we support many provisions. Most fundamentally, we support the requirement that a public vote must be conducted to increase revenue collections due to increased assessed valuation.

As amended, the bill removes the current tax lid and implements a process supporters believe creates greater public awareness and participation, which in reality looks a great deal like our usual and customary public budget hearing and approval process. We support the removal of the tax lid and the suggested public notification, hearings, and structures in the bill mirror in many ways our current budget hearing process. The public hearing process has been adjusted by amendments to fit the public notice and hearing process, and centralized budget publication processes are in place now as well. The notification and mailing requirements are time-consuming, but not prohibitive, but flexibility for hearing dates has been added, which we appreciate. We believe the most burdensome procedures have been removed.

We support a number of amendments that have been discussed related to the bill. Primarily, we are looking at a rolling and on-going cost of living or growth factor that would be calculated and added to the total revenue raised by local property tax. Additionally, we support the concept of a tax credit against the next year's taxes, rather than a tax refund, in the interest of cost avoidance. We also support a transparent and comprehensive process to demonstrate to property owners the portion of their tax increase that comes from the city, schools, and other taxing jurisdictions.

The authority of municipalities and other public entities is rooted in Kansas constitutional authority and in cities' close connection to our taxpayers. In order to secure the repeal of the tax lid, SB 294 is an improved option that mirrors many procedures already in place. If the Committee advances SB 294, we believe there should be no further changes to the appraisal process passed either in bill form or in conference committee. Any attempts to modify the appraisal process can have a massive impact on local county property tax revenue. We oppose any additional changes to the appraisal process that would disrupt the foundational local property tax assumptions upon which the local government tax structure exists.

Thank you for your consideration and I welcome any questions or further discussion you may have on this matter.

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