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To: Chairman Johnson and House Taxation Committee Members

From: Danielle Young, City Administrator, City of Cheney

Date: March 16, 2020

Re: Written Testimony in Opposition to SB 294

While the City of Cheney is pleased that the Kansas Legislature has recognized the importance of eliminating the tax lid, there are still a number of concerns within SB 294 that gives us opposition to this bill.

We understand that SB 294 has intentions of providing transparency between government and tax payers, but we feel additional transparency should be considered. To help taxpayers understand the calculation of the "revenue neutral rate" we think it's important that taxpayers see a breakout between new growth and valuation increases in the truth-in-taxation statements. It's also important for the statements to be transparent and show taxes increase for ALL taxing jurisdictions, including school districts and the State.

Another issue lies in setting the property tax levy in terms of mills instead of dollars. Cities are unable to predict which properties will go through the tax appeal process and valuation amounts can change between preliminary numbers on June 15th and certified valuations on October 15th, which can shift the number of mills significantly.

We also feel that our City Council should not have to adopt the tax levy at the same meeting as the truth-in-taxation hearing. As you know, questions from elected officials and constituents arise through testimony and public hearings and additional time should be allowed for consideration. Our Governing Body should be able to make an informed decision and set a future date to adopt the tax levy. Which also leads to another concern that the truth-in-taxation hearing is held in September, but the budget deadlines are set in August.

The bill should also be amended to allow for the refund of tax payments to be returned as a credit on a future tax statement. If not, cities would be faced with mailing refund checks to property owners that are less than the actual cost of the mailing. It could also lead to property owners not cashing these small checks, increasing the amount of paperwork and unclaimed property for the Kansas State Treasurer.

Thank you for your time in considering these changes to SB 294.

Danielle Young
City Administrator/Clerk
City of Cheney, Kansas