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TESTIMONY

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House Taxation Committee consideration of HB2212 Tuesday, Jan. 24, 1:30 p.m. RM 783 DSOB

The City of Wichita is opposed to passage of HB2212 for operational and philosophical reasons.

Like all Kansas local governments, the City of Wichita believes that the most effective local government policies arise from the local governing body. When operational decisions, such as the establishment of a local mill levy to support a local budget, are usurped by a larger form of government, the quality of the decision suffers.

Just as the state government continually resists the intrusion of federal authority was it is not justified, local governments want the same consideration from state government.

Local budgets, mill levies and tax collection are conducted in complete transparency. Local citizens are given numerous opportunities to appear before public hearings of the annual budget. Local elections give dissenting voices the opportunity to air their concerns before their fellow citizens and influence the outcome through the ballot box.

From an operational standpoint, an artificial restraint against the natural increase of ad valorem taxes will compromise the City's ability to meet the basic demands of its citizens. The cost of public safety, infrastructure and other essential services is not constant. It rises with inflation and the continual demand for quality services. An excellent example is the city/county Exploited and Missing Children Unit. As legislators who toured that facility learned during a recent visit, the demand for this essential service protecting our most vulnerable citizens exceeds the current staff and resource capacity.

As demand increases for that service, and the myriad of similar services throughout local government, local tax revenues are the only logical source of support. Capping assessed valuation will only worsen the shortfall and negatively impact the quality of life of our citizens.

On the economic development front, a restriction on revenue from assessed valuation increases would effectively neuter the current Tax Increment Financing (TIF) program that has yielded tremendous benefits in areas such as Old Town Wichita. If increased assessed valuation revenue is not available, the TIFs cannot meet their financial obligations.

Lastly, concerns about mill levy and budget restraints are not a major issue in Wichita. The Wichita mill levy has held steady the past 18 years. More significantly for HB2212, TAXES LEVIED have increased only slightly more than one percent over the past three years.

Meanwhile, the Wichita City Council and has continued to meet citizen demands for quality municipal services. The burden of HB2212 would make it nearly impossible to sustain that effort.

Thank you for your consideration.

