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TESTIMONY

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Kansas House Taxation Committee Hearing on HB2047 Tuesday, 1/29/2013, 3:30 PM, Rm 582-N

Chairman Carlson and members of the House Taxation Committee:

The Wichita City Council has reviewed HB2407 and offers the following comments:

- Transparency in the budgeting of public monies is a shared interest of local and state governments. Citizens deserve to be given the maximum amount of information about publicly funded budgets.
- Public engagement in the budgeting process of any level of government is a vital component. Decisions about the collection and distribution of public funds must be made in the most open and transparent fashion. Governments function best when citizens are fully informed.
- The City of Wichita is committed to a cooperative relationship with the Kansas Legislature to ensure public awareness of the budget process.
- The City of Wichita already assigns a high priority to public information about the annual budgeting process. News releases, public announcements and televised public hearings on the City's local cable channel are employed to maximize the public's knowledge of the budgeting process, as well as the public's direct involvement.
- The City of Wichita recommends an amendment to HB2047 that would incorporate the Consumer Price Index into the assessed valuation baseline established by the legislation. Under such an amendment, the reduction in mill levy triggered by an increase in assessed valuation would only be required after an adjustment reflecting the Consumer Price Index. This amendment would allow local governments to make reasonable increases in local budgets that reflect inflationary influences. Assessed valuation increases that exceed the CPI would trigger the mill levy adjustment described in HB2407.
- The City of Wichita also shares the concern of smaller governmental units such as township boards, drainage districts and others that would be required to pay for an additional public notice added to the budgeting process by HB2407. This additional cost represents an unfunded mandate by the State of Kansas. As such, it would be appropriate to amend HB2407 to provide state funding of this additional expense.
- HB2407's imposition of an additional step in the budgeting process will add further complexity to a process that already challenges the average citizen's comprehension. Terms such as "mill levy" and "assessed valuation" may be easily understood by elected and appointed state and local officials, but they are not widely understood by the general population. Adding other complicated step to an already complicated process will result in the exact opposite effect intended by HB2407. The public will be more confused with this additional layer of bureaucracy, making it more difficult for local governments to gain public trust.