

State of Kansas



Representative Ann Mah Kansas House of Representatives

COMMITTEE ON TAXATION

REP. CARLSON - CHAIRMAN

TESTIMONY HB 2047

I am testifying in opposition to HB 2047. It is not clear whether this bill is simply about transparency in government or about putting a cap on property taxes. But it is clear that this bill is a nanny-state bill masquerading as property tax relief. At best it's unnecessary interference by big government. At worst it is hypocritical.

There is no reason for legislators to substitute their judgment for that of elected municipal officials. They are elected to serve and to make budget and tax decisions for their jurisdictions and stand for election on a regular basis. They already vote each year on a budget and they provide notice. Most of them have a public meeting to discuss their budgets. That being the case, if this bill is about simple transparency, it is a waste of taxpayer dollars.

Even if this bill is only about transparency, the legislature should recognize that transparency begins at home. For example, the state imposes a levy on real estate. But I didn't see anything in this bill about having to vote on that every year or post notice. And when retail sales increase in the state, do we vote again each year and post notice on the amount of sales tax we charge? No, we just keep the increase.

And in the name of income tax transparency, perhaps instead of telling the voters that everyone will get a tax cut in 2013, we could tell the truth – that according to the Department of Revenue

analysis, many filers making less than \$25,000 a year will pay more in taxes. Or that the increase in the standard deduction doesn't even apply to single taxpayers. We could tell them that the promise to spend the \$70 million we took away from the poor and elderly for new programs isn't really going to new programs for the poor. In fact, we have pushed more families into poverty. We have a long way to go on transparency in this body.

But if this bill is actually about trying to force a cap on property taxes at the local level, it is even more hypocritical. I could safely say that most of the tax increases I saw on my local property tax bill this year were the result of cuts in services by the state legislature. Who cut school funding? Who cut funding for safety net services? Who cut funding for mental health, turning our jails into psych wards? Who has systematically been pushing the cost of government from the state to local units of government? You can thank the legislature for all of that. I understand that the Department of Wildlife, Parks and tourism will be asking you to eliminate the tax on boats entirely, taking about \$10 million more away from local units of government. And now you want to make it harder for them to raise the money they need just to stay afloat without any recognition at all of the cost of inflation and the costs the legislature forced on them?

In the name of transparency, I suggest an amendment to this bill, or perhaps you should just toss out the bill as it is and replace it with this idea: every time the legislature passes a bill that increases costs for local units of government or removes their local authority on an issue, there will be a public notice in the official county newspaper of every Kansas county, and a record of the vote of the legislators from those counties. Now that's real transparency.

I correspond regularly with dozens of municipal leaders from school districts, cities, and townships in Shawnee, Douglas, and Osage counties. I sent them a copy of this bill and I have received only negative comments from them about the impact on their jurisdictions.

Finally, if you really want to do something about local property taxes, finish what we tried to do last session – start up the Local Ad Valorem Tax Reduction Fund again. That would actually be helpful.