



Date: March 16, 2017
To: Chair Caryn Tyson and the Senate Assessment and Taxation Committee
From: Chris Engel, City Administrator, Merriam, KS
Re: Written Testimony in Support of SB 167

Thank you for allowing me to submit written testimony in support of the full repeal of the tax lid.

The ability for our community to strategically plan for a healthy financial future and adapt to each year's new economic environment is critical for the future success of Merriam. Local property taxes play a key role in funding essential services for our residents. Our ability to maintain the high-quality services our residents expect was impacted in 2004 when the state made the decision to stop funding the LAVTRF (resulting in a loss of \$78 million annually to local governments), and is again impacted by the property tax lid. Limitations local government's ability to make tax decisions make it difficult to maintain a consistent level of service, plan for the future, and prepare for natural or economic disasters when they do arise.

The current structure of the tax lid around the Consumer Price Index (CPI) also impacts the City's ability to plan for the future and budget year-to-year. The City is concerned that the CPI does not take into account cost increases on many consumables utilized in municipal government, such as health care and fuel. The rate of inflation for these items is much different than common consumer goods, and current legislation would require the City to absorb the additional expenses or hold an election to raise the property tax revenue beyond the tax lid. The cost of such is not insignificant - the City of Merriam paid more than \$16,000 for our last election.

By removing the taxing authority from local officials, the tax lid also erodes the representative democracy our system was founded upon. We believe that those elected to manage the affairs of cities can be most responsive to the local taxpayers and make budget and tax decisions that best reflect the community's needs and financial interests.

For these reasons, I ask that the Committee support a full repeal of the tax lid. Thank you for your consideration.