



March 6, 2019

Kansas State House
Committee on Taxation
Rep. Steven Johnson, Chair
Rep. Les Mason, Vice Chair
Rep. Jim Gartner, Ranking Minority Member

**TESTIMONY OF THE CITY OF PRAIRIE VILLAGE, KANSAS
IN SUPPORT OF HOUSE BILL 2345**

Dear Chair Johnson, Vice Chair Mason, Ranking Minority Member Gartner, and Members of the House Tax Committee:

I am Council Member Dan Runion and I serve as the Chair of the City of Prairie Village's Finance Committee. I am standing in for the Mayor to express the City's **strong support** of House Bill No. 2345.

Prairie Village continues to be a great place to live. With beautiful homes, mature trees, strong public schools, low crime, and a convenient location, there are many reasons why so many people are proud to call Prairie Village home. This results in high demand, which has translated into Prairie Village homeowners experiencing some of the highest assessment increases in Johnson County the past several years.

We pride ourselves on the exceptional City services we provide and also our responsiveness to Prairie Village residents. However, the tax lid legislation passed by the Kansas Legislature in 2016 has placed these two things at odds. Providing quality services comes at a cost, but we hear loud and clear when our constituents raise their concerns that property taxes are too high with the repeated increases in valuation. This burden is particularly painful for our seniors on fixed incomes.

When valuations come back higher than expected year after year, the logical next step would be to consider lowering the mill levy as long as services are adequately funded. Unfortunately, due to the tax lid, it is not that simple. Yes, in strong economic times, the property tax rate could be reduced without negative impacts. However, when there are economic downturns - and there always are - the City cannot merely raise the mill levy to make up for revenue shortfalls.

This quandary has now become a factor in determining whether to leave the mill as is or consider a reduction and risk not being able to capture it back if needed. The goal of lowering property taxes by imposing this tax lid has not been realized and essentially

caused a “disincentive” to lower the mill rate. Rather than lowering property tax rates, many cities - not just ours - are keeping the mill levy the same. By passing this legislation that would allow local governments to lower property tax rates and, within the subsequent seven years, go back to the highest tax levy they would have been able to increase to previously without a special election, the City would have much needed flexibility to manage its budget in economic uncertainty.

My colleagues and I were duly elected to represent Prairie Village residents and manage the affairs of the community. We are the most responsive to the local taxpayers, and make budget and tax decisions that are most reflective of the City’s needs and financial interests. We support this legislation to restore a certain level of home-rule authority to our robust financial planning.

The City of Prairie Village thanks the Committee for its consideration.