

HB 2345 Opponent Testimony - in person
Property Tax Lid Exception
House Taxation Committee
Dave Trabert - President
March 6, 2019



Chairman Johnson and Members of the Committee,

We appreciate this opportunity to testify in opposition to HB 2345. Creating an exception to the voter authorization provision of the so-called property tax lid if city or county budgets were higher in the prior seven years disregards the premise of voter engagement.

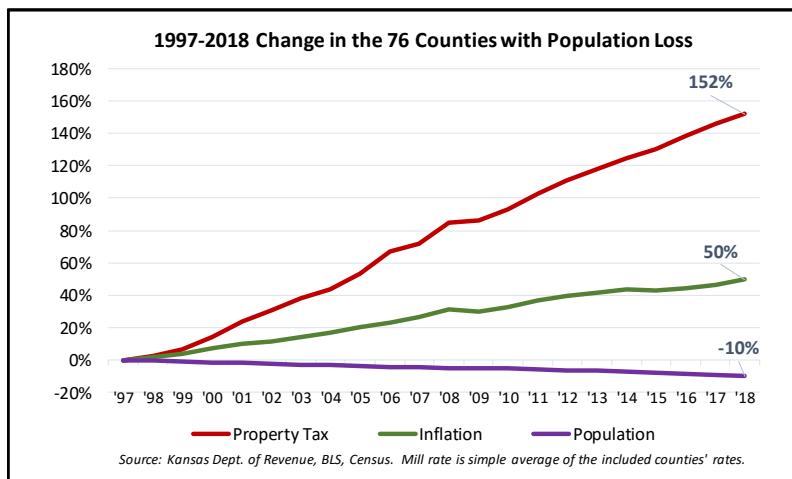
After years of citizens being punished with high property taxes, the legislature passed the voter empowerment law in 2015 to let voters decide whether property taxes could increase beyond the rate of inflation. Legislators also gave local government a long list of exceptions to the public vote requirement and ever since, cities and counties have been asking for more exceptions.

New data from the Kansas Department of Revenue shows local government continues to raise property taxes far more than necessary to keep with inflation and population change. The inflation rate for 2018 (Consumer Price Index, Midwest Cities) was 1.9 percent, yet only 28 counties and 12 of the state's 37 largest cities held their property tax increase below two percent. Two counties increased property tax more than ten percent, with 38 counties and 18 cities increasing taxes between four percent and ten percent.

Tax Increase Category	Counties	Cities
Less than 2 percent	28	12
Two to four percent	37	7
Four to seven percent	23	13
Seven percent to 10 percent	15	5
More than 10 percent	2	0

Source: Kansas Department of Revenue

The long-term impact on citizens and employers is overwhelmingly negative. The average county tax increase for counties that lost population since 1997 is 152 percent! That's more than triple the inflation rate in counties that, on average, lost 10 percent of their population.



County Property Tax (excludes other taxing jurisdictions)				
County	Percent Change 1997 to 2018			Tax Multiple (PT÷(P + I))
	Population	Inflation	Prop. Tax	
Atchison	-3%	50%	179%	3.9
Dickinson	-5%	50%	267%	6.0
Ellis	7%	50%	171%	3.0
Johnson	43%	50%	244%	2.6
Kingman	-15%	50%	187%	5.4
Labette	-14%	50%	171%	4.8
Lane	-31%	50%	207%	10.9
McPherson	2%	50%	148%	2.9
Mitchell	-13%	50%	402%	11.1
Montgomery	-13%	50%	183%	5.1
Morris	-14%	50%	206%	5.8
Phillips	-12%	50%	140%	3.8
Riley	14%	50%	265%	4.2
Saline	5%	50%	289%	5.3
Sedgwick	17%	50%	103%	1.5
Shawnee	5%	50%	131%	2.4
Wyandotte	9%	50%	186%	3.2

*Source: KS Dept. of Revenue, Census, Bureau of Labor Statistics.
Assumes 2018 population changed at the same rate as 2017.
Inflation for Midwest Urban Cities. Tax multiple compares growth in property tax to the combined change in inflation and population.*

Residents in the home counties of most Taxation Committee members have been particularly hit hard. Mitchell County has seen property taxes increase 402 percent since 1997, while inflation and population collectively increased by 37 percent; in other words, property taxes increased more than 11 times as fast as inflation and population.

Lane County residents are just shy of that mark, with a tax multiple of 10.9 times the combined rate of inflation and population. Lane County has lost 31 percent of its population since 1997, but property taxes still increased by 207 percent; just imagine the burgeoning tax burden on remaining residents and employers. Among the home counties of Taxation Committee members, Sedgwick County has the ‘best’ results with taxes increasing 1.5 times combined population and

inflation growth.

Charts comparing property tax, population and inflation for every county and large city is posted on KansasOpenGov.org in the [City](#) and [County](#) sections, along with the underlying data in table format.

Conclusion

Government is asking the Legislature for property tax relief with yet another exception to voter approval, but it’s taxpayers that really need the relief.

Accordingly, we encourage you to oppose HB 2345. We also encourage the Committee to consider removing some of the many exemptions to the voter approval requirement and give taxpayers a much-needed break.

Thank you for your consideration.