



# CITY OF HUMBOLDT

## OFFICE OF CITY ADMINISTRATION

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Date: March 12, 2020  
To: Chairman Johnson and House Taxation Committee Members  
From: Cole Herder, City Administrator, City of Humboldt  
Re: SB 294 – Written Opponent Testimony

Thank you, Chairman and Committee, for allowing me to submit testimony on SB 294. The City is currently opposed to this legislation because it is a fundamentally flawed bill and unnecessarily mandates costly bureaucracy.

SB 294 was supposedly created based on the Tax Foundation recommendation that Kansas repeal the tax lid and adopt the Utah model of Truth-in-Taxation. SB 294 is not the same as the Utah model.

SB 294 is not good legislation and does not even represent what the Tax Foundation stands for. From their own website, they profess to “work toward a singular vision: a world where the tax code doesn’t stand in the way of success.” SB 294 does just the opposite and blocks the ability of local taxing entities to work with their community to provide necessary services.

The Tax Foundation website continues to say they “believe that an ideal tax code follows the principles of sound policy: simplicity, neutrality, transparency, and stability.” Transparency already exists and this legislation is counter to simplicity and neutrality. The Tax Foundation is a well-funded group of tax opponents that actively disrupt tax policy in more than 30 states. These people are not Kansans and should not be dictating our law. They are lobbyist from Washington DC.

SB 294 is flawed and the process is complicated; it adds cost and it ties the hands of local governments that already demonstrate transparency and have a due process of public notice and hearings. For the State of Kansas to implement this legislation is no difference than the Federal Government handing down unnecessary legislative mandates to the State.

SB294 will work opposite the intended results, just like the original tax lid. The tax lid seems to have caused an artificial increase in taxes. Now, cities will likely make large increases periodically rather than simple cost of living adjustments as needed.

The bill discourages growth. Growth through annexation and industrial development is costly, but the bill penalizes the effort to expand by including those new dollars from being added to the ‘revenue neutral’ rate. This growth requires new infrastructure and utility capacity.

Local government is made up of community members that represent their neighbors. These public servants work hard to provide necessary services at the lowest possible cost to taxpayers. They are taxpayers and represent their constituents. Local governments do not simply raise taxes for fun or without serious consideration. They must balance the wants and need of the community with available resources and often make hard decisions regarding funding and services. SB294 further complicates the process that has worked for decades.

Open door policies, budget publication, budget hearings, and elections help to both create transparency and allow voters to make necessary changes.

For these reasons, I ask that Committee to **not** pass SB 294.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cole Herder', written in a cursive style.

Cole Herder, City Administrator