



CITY OF TOPEKA

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OPPOSITION TESTIMONY

SB 294

**An Act establishing notice and public hearing requirements prior to approval
By a governing body to exceed its revenue neutral rate for property tax purposes**

House Taxation Committee

**Douglas Gerber, Deputy City Manager
City of Topeka**

March 16, 2020

Chairman Johnson and Members of the Committee:

My name is Douglas Gerber and I serve as the Deputy City Manager for the City of Topeka. On behalf of the City, I appreciate the opportunity to appear before you today and express our concerns with the provisions of SB 294.

First of all, the City of Topeka appreciates the Kansas Legislature's concerns with increasing property tax burdens on the citizens of our state. However, property taxes are an important part of the proverbial three-legged stool and a necessary revenue source utilized by cities, counties and yes, even the state to provide needed services for our citizens.

We have long argued against the tax lid placed in statute several years ago as a floor amendment to a Senate tax bill. History suggests the lid was more frustrating than effective, due to budget filing deadlines and notice provisions. Most cities and counties work hard to keep property taxes as low as possible and the current tax lid allowing for increases not exceeding the consumer price index along with a handful of exemptions was workable from a budget standpoint, but there really isn't any evidence it has served to reduce property taxes. The City of Topeka, for example, has not raised the property tax mil levy since 2014. During that time, our property tax revenues in our general fund have grown by \$1.9 million. This 7.6 percent increase over 6 years demonstrates our commitment to maintaining a reasonable property tax approach at the local level, led by our locally elected Governing Body members.

The City of Topeka appreciates the removal of the tax lid from state law as found in SB 294 and understand the legislature's interest in greater public transparency for tax assessments and budgets at the local level.

Should the Legislature decide to continue down the path charted out by SB 294, we would respectfully ask for consideration of several amendments that we believe retain the spirit in which SB 294 was proposed, but at the same time make the bill more workable for local units of government.

Specifically, we suggest consideration of the following changes to the bill:

- We suggest what taxpayers want to know is if their taxes are going to increase. Valuation increases and the accompanying taxes due from new construction, annexation or expiring tax abatements should not be counted against a city. In particular, tax abatements are typically adopted under the argument that an abatement for a period of time will result in increased revenues for a city or county when the abatement expires. Prohibiting a city and its residents to gain the benefit of this additional revenue subject to further statutory hurdles is inappropriate.
- A taxing jurisdiction should only be held accountable for the taxes they levy and not other taxing jurisdictions on a “truth-in-taxation” statement.
- SB 294 should allow for a city or county to not have to send payment for a nominal amount to a taxpayer (e.g., less than \$1.00 or something similar). The cost to process is greater than the amount owed.
- The Legislature should work with representatives of the cities and counties to adopt statutory deadlines for public notice, approval of a budget, setting of the mill levy and related timeline requirements in the bill that are workable for all parties concerned and are good public policy.

On behalf of the City of Topeka, we thank you for your consideration of this testimony on SB 294.

Doug Gerber