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Date: March 16, 2020
To: Chairman Johnson and the House Committee on Taxation
From: City of Overland Park
Re: SB 294 – Opponent

Thank you for allowing the City of Overland Park (the “City”) to submit testimony on SB 294. The City opposes this bill because it requires municipalities to provide information that is more misleading than transparent, disrupts existing budget timelines, and will create unnecessary costs for taxpayers.

The current legislation would provide taxpayers information that is more misleading than transparent. For example, the calculation of the “revenue neutral rate” adds in valuation from new growth (new construction, annexation, and expiring abatements) and then shows the reduced mill levy resulting from the “revenue neutral rate.” Additional transparency is critical so property taxpayers can see a breakout between new growth and valuation increases in the truth-in-taxation statements. Additionally, the truth-in-taxation statements need to include information on all taxing jurisdictions so a taxpayer does not receive a statement showing taxes will go up \$30 for their City taxes, and then get their tax bill in November and find their tax bill went up \$150 because of school district and state increases.

The timelines within SB 294 do not work with the existing budget adoption timelines. The bill needs to be modified to change the dates for the budget hearings because cities would still have to follow the August deadlines for budget adoption and then have the truth-in-taxation hearing in September.

Additionally, requiring taxpayers to pay for additional notice as a result of factors the City has no control over (i.e. appraised values), when the City already holds several public hearings on the items it controls (i.e. the budget) creates new expenditures on already limited public resources and advances no compelling interest. That process is also objectionable because it would even be required where the certified tax rate increase is less than the CPI increase or the result of normal growth, which are normal budgetary changes most taxpayers would not expect additional notice about (or expect to pay the cost of the notice for). Finally, if the county is having a truth-in-taxation hearing then the county should be liable for the costs of notices, since every parcel owner will already receive a truth-in-taxation statement.

Finally, SB 294’s artificial constraints on revenue growth could eventually result in a decline in the safety and quality of life in Overland Park. Overland Park residents have repeatedly and overwhelmingly indicated the level of taxation by the City is appropriate. In our most recent citizen survey (2018), over 70% of respondents indicated they were satisfied with the value received for City tax dollars, while 94% are satisfied with the quality of life within the City and 98% are satisfied with Overland Park as a place to live. Existing laws allow residents and businesses to appeal appraised property values if property owners feel that appraised values are not reflective of market valuations, and those procedures are a better solution than SB 294.

Thank you for allowing the City to submit testimony in opposition of SB 294. We respectfully request that the Committee not advance this legislation.