



Testimony of the Kansas Association of Counties to the
Senate Committee on Assessment and Taxation
Testimony on SB 13 • January 17, 2019

Madam Chairman and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 13, which contains sections from the conference committee report for Senate Substitute for House Bill 2228 of the 2017/2018 session. The KAC supports several sections of the bill, specified below, and is neutral on the remainder of the bill.

KAC supports section 5 of Senate Bill 13, which is substantially the same as 2017/2018 HB 2626, a reenactment of 1973's Substitute for Senate Bill 11, which accounted for transfers in authority from one taxing entity to another under the old tax lid.¹ Section 5 of SB 13 updates the old law by creating an exemption to the tax lid enacted by the Kansas Legislature in 2015. The exemption relates to any tax levy increase resulting from a taxing entity being dissolved and its powers, responsibilities, duties, and liabilities being transferred to the city or county to carry on the functions and responsibilities of the dissolving taxing entity.

As Kansas municipalities work to implement the new tax lid, they are looking at how Kansas operated under the previously repealed law. The 1973 version of the Kansas tax lid increased the aggregate limitation imposed by law on a transferee entity accepting new responsibilities and decreased it for the transferor entity. The argument for this type of exemption is that the entity accepting the new responsibilities from the dissolved entity should be allowed to expand under the tax lid to take on the new responsibilities. This issue arose in the City of Pratt,² which plans to absorb the powers of a dissolving airport authority. If the city is to take on the taxing authority and the responsibility of the airport, it should be allowed room to grow from its current restrictions under the tax lid.

We support Section 5 of SB 13 as a tested method to accommodate reorganization at the local level. The legislation will enable counties and cities to shift responsibilities and services to the level that makes the most sense without handcuffing the local officials.

We also support the provisions in Section 2 allowing Dickinson, Russell and Jackson County, subject to voter approval, to levy certain countywide retailer's sales taxes. Additionally, we

¹ 1973 Kansas Session laws, Chapter 393, Section 9.

² House Bill 2628 (2018).

support Section 3, subsection 1, which allows Thomas County, subject to voter approval, to levy a countywide retailer's sales tax.

We support adding Crawford and Cowley counties to the definition of "rural opportunity zones" as we believe this will give these counties a chance to further grow and develop.

The Kansas Association of Counties supports the ability of these local governments to go to their electorate to increase the retailer's sales tax. We support the above provisions of the bill. KAC remains neutral on the other aspects of the bill.

Respectfully,

A handwritten signature in blue ink that reads "Jay Hall". The signature is written in a cursive, flowing style.

Jay Hall
Kansas Association of Counties