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Commissioner – Fifth District
Board of County Commissioners
Sedgwick County, Kansas

Senate Committee on Assessment & Taxation

February 7, 2020

Testimony in Partial Support for SB 294.

Madam Chair and members of the committee, I greatly appreciate the opportunity to provide some **pragmatic** comments and **recommended amendments** to the draft bill, SB294. This testimony is from me as a single commissioner and does not reflect the majority of the county commission.

First, I commend you for attempting to enhance elected official transparency and public awareness in the budget process. Taxpayers have a right to know about proposed changes that would increase their tax burden.

Every elected official has likely heard from their constituents that property taxes in Kansas have become excessive. We talk about the 3-legged stool of government revenue but that does not apply equally to local government or school districts.

In Kansas, local governments and school districts mostly rely on property tax funds to provide the services those residents need and expect. The state legislature used to fund LAVTR and City/County Cost-Sharing programs to offset the local government's reliance of property tax dollars but those programs have not been funded since 2001.

Property taxes make up approximately one-third of Sedgwick County's entire budget. We have the most discretion on how much property tax dollars we need to run government and we have the most discretion on how we appropriate those funds. The other seven sources of revenue are reserved for specific uses and we have little to no discretion on the use of those revenues.

For me personally, 1.05% of my property tax dollars go to the State General Fund, 33.6% to the City of Derby, and 20.5% goes the County. The remaining 44.9% goes to USD260.

As you know, Kansas School Districts have not been subject to the 'Tax Lid' or to the 'Truth in Taxation' (TnT) laws. If you really want to ensure transparency and accountability of the largest user of property tax funds, you must bring the school districts under the same transparency and accountability laws.

Also, Kansas Government itself should follow the same procedure. Rather than just simply capture the growth in tax revenue at the same mill rate, the dollars should be flat and the mill rate should decline as assessed value increases. The state should not be exempt from the provisions in TnT.

Secondly, **reasonable growth** in the property tax **dollars** should not trigger extraordinary actions. It is reasonable that Cost of Living Adjustments (COLA) should apply to the collection of tax dollars.

Calculations such as CPI (inflation) and population are rational. However, if the proposed budget would exceed that simple calculation, then I can see the greater need for the public to be informed, published notices posted, and a recorded vote of the elected officials on that disproportionate increase. Without some reasonable COLA adjustment, it is likely every municipality in the entire state will constantly be considered as excessive growth. Small COLA based growth is reasonable. Excessive growth should trigger additional procedures.

When Sedgwick County raised the mill levy for a jail expansion in 2007, four of the five commissioners lost their next race. The people have a right to know and they will hold the elected officials accountable in the ballot box.

Since nearly every taxing jurisdiction in the state will have slightly higher budgets from slightly higher property tax revenue each year, it would be an enormous collective cost (and a waste of those tax dollars) to personally notify every parcel owner via the USPS of each of the proposed changes and impact on their tax burden. Sedgwick County estimates the cost of one mailing to be about \$150,000. The complexity alone is also staggering. Please, please, please, use 21st century technology. Allow the jurisdictions to save precious property tax dollars by using public notices in the paper of record AND allow the counties to maintain a webpage where property owners would be able to input their address and see the impact in their personal tax burden for each of the jurisdictions proposed budgets.

Once the taxpayer knows what is being proposed, they can engage the process by attending the required public hearings and speak to their governing body on the proposal.

Finally, I totally support having the elected officials publically vote to adopt their budgets and if that includes an increase over the reasonable COLA calculated growth, that that increase should be also published in the paper of record.

Again, I commend you for empowering the people to know who is raising their taxes and for giving them a voice in the process. I also believe this is an improvement over the tax lid because it empowers the elected officials of local government to be accountable to the people and to govern as needed. This law should also bring the schools under the same transparency and accountability.

Please pass SB294 with these minor amendments.

- 1) Bring Schools under the same laws
- 2) Kansas itself should be under the same TnT laws
- 3) Allow simple COLA calculation for base budgets
- 4) Use technology and Public notices to inform the parcel owners of the proposed changes
- 5) The baseline dates in the bill are unworkable. Please get input from the offices of the appraiser, treasurer, and clerk and make date changes to accommodate their natural processes.

Thanks for the opportunity to provide this testimony. Please contact me for clarification or discussion.



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Sedgwick County Mill Levy and Tax Dollars Levied 1983 through 2019

