



Harvey County

Harvey County Commission

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Honorable Kansas State Senator Caryn Tyson

Chair, Senate Assessment and Taxation Committee and Distinguished Members of the Committee

RE: Senate Bill 294, Concerning Property Taxation; Relating to Tax Rates; Truth in Taxation, etc.

Chr. Tyson and Distinguished Committee Members,

Thank you for the opportunity to provide written testimony as an opponent of this bill in its current form. While Harvey County certainly supports transparency and ensuring citizens understand taxation, SB294 in its current form is impractical to implement, will be expensive, will be confusing to citizens, and it further erodes local control.

Last December, the Tax Foundation recommended that Kansas repeal the tax lid and adopt the Utah model of Truth-in-Taxation. However, SB 294 is not the Utah model. The Utah model allows for new growth to be captured, and unlike the recommendation from the Tax Foundation, the bill doesn't repeal the current tax lid.

Having been intricately involved in the budgeting process for several years, numerous points are offered for your consideration:

- The legislation requires the County Clerk to send a notice to every taxpayer in every taxing district that is proposing an increase. Harvey County has 41 separate taxing districts, each of which may require notice. Because these districts overlap, it is very likely that a taxpayer could receive multiple notices (City, Township, County, School District, Fire District, etc.). Many of these districts cross County lines, which would then require two (or more) County Clerks to send notices to taxpayers and bill the entity. The postage costs and the time to generate these notices and then bill the cost out to each taxing entity would be significant.
- The timeline for each governing body to determine its "certified tax rate", submit it to the state's Director of Accounts and Report, have it reviewed and available in time for notification and hearings is not practical. Also, since the final valuations are not finalized until November 1, and the tax rates are set by the County Clerk based on the November 1 certified valuation, it is not possible to determine a "certified tax rate" by August 1.
- The reality is that certain local government expenses increase on a regular basis, but there is no allowance in this bill for local government to cover these increases with ad valorem taxes, even if the

growth in ad valorem tax revenue is from new growth in the valuation. Examples of increasing expenses include KPERS and KP&F contributions, fuel, electricity, asphalt, health insurance, inmate food service.

- It would be nearly impossible to comply with the requirement to have no overlapping scheduling of any public hearings, especially when you consider that there are so many taxing entities in every County (cities, townships, cemetery districts, watershed districts, fire districts, drainage districts, improvement districts, school districts, etc.) and many of them have property within multiple Counties. How would one even begin to track this?
- Finally, the legislation states that the cost associated with sending the notices shall be borne by the taxing agency. These entities, many of which have very small budgets, are primarily funded with tax dollars, which means **the cost associated with this legislation will fall squarely on the shoulders of the taxpayers.** Based on our costs to mail tax statements, Harvey County estimates it will cost \$14,000 to mail one notice to everyone in the County.

For these reasons, I ask that the Committee not pass SB 294 out of committee.

Thank you for your consideration.



Randy Hague
Harvey County Commission Chair