

*The City of*



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Date: February 3, 2020  
To: Senate Committee on Assessment and Taxation  
From: Jennifer McCausland, City Administrator, City of Andover, KS  
Re: SB 294 – Written Opponent Testimony

Thank you, Chairwoman and Committee, for allowing me to submit testimony on SB 294. The City of Andover is currently opposed to this legislation because it is a fundamentally flawed bill.

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 tax lid.

SB 294 is flawed for the following reasons:

- Not allowing growing cities like Andover to capture the revenue of **new growth** will be **devastating** to our ability to deliver effective local government and services our citizen expect, deserve and demand. It is one thing to limit the revenue derived from increases in valuation on pre-existing properties. It is entirely another to not allow cities to receive additional revenue to support **new development** and as such, a typical associated increase in workload to all city departments due to more residents, traffic, and visitors. Surely no one would believe the service needs of Andover 10 years ago, when we had just over 10,000 residents, were the same as the demands we have today with over 13,000? If we are not able to capture new development dollars, how would you propose we keep up with these increased demands? In a time when the state is trying to curb a population exodus, why would a bill be considered that penalizes those Kansas communities that are growing?
- Unlike the current Tax Lid, this bill does not provide an exemption for Law Enforcement, Fire, or EMS. These are the very departments that see the most immediate need for additional manpower and services as communities grow. Therefore, if we cannot receive additional revenue from new development, including homes and apartment complexes, and we don't get to exempt public safety expenses, how are we to provide these critical services at the levels needed?
- This bill does not account for personnel costs. As a city administrator with nearly 90 full time employees, due to annual health benefit increases alone, I would anticipate an annual need for a TNT hearing for our city. That doesn't take into consideration annual cost of living or merit raises for the public servants in these jurisdictions. How can I possibly expect to recruit and retain a talented workforce to serve the community without the ability to increase payroll annually? Or, what service should we cut in order to live

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within last year's costs? Surely utilities and other costs we must incur to do the work we do will not reduce.

- Senate Bill 294 does not work logistically whatsoever with the existing annual budget process. If a Truth-in-Taxation hearing is required by 9/15, what about the fact that budgets must be certified to the County by August 25? While I assume the entire budget submission process will have to change, it seems wholly unnecessary to change a process that is known and understood by the majority. This change seems especially unnecessary when one considers:
  - A. Cities must abide by an annual balanced budget, unlike our state and federal counterparts.
  - B. Cities already have public hearings annually for adoption of the budget.
  - C. At least in Andover, these hearings are promoted via a mailed insert with monthly sewer bills each year to every property owner. Additionally, social media and the city's website have been used for the last several years to promote this annual process and public meeting.
  - D. Finally, current budget hearings are held during regularly scheduled Council meetings; they are not special TNT hearings that have to be held on a day different from other tax levying jurisdictions within the county. This means the TNT hearing may very well occur on a day other than the established council meeting dates.

I would submit that local government's elected officials hear from our residents on a nearly hourly basis. Our elected officials cannot go to the grocery store or out to eat without interacting with constituents. There is a very effective feedback loop in local government which is why it is healthy and strong and effective. The hearing and notification portions of this bill attempt to fix something that is not broken. Further, if an individual is truly unhappy with the taxes levied in their specific city, he/she can move to another nearby community that better reflects their values and priorities. Andover citizens make a conscious choice to live in a community with a higher overall property tax bill than those who live directly west of us. Please note, this increased property tax bill is only in part due to the taxes the City of Andover itself levies. And yet, a growing number of people choose Andover. They choose the amenities they find in Andover: an outstanding school system within a safe community full of greenspace and walking/biking trails for their children to roam. This bill in essence takes away the rights of individuals to choose the services they'd like to have offered as part of their local government and as such, annual property tax bill.

For these reasons, on behalf of the City of Andover and our Governing Body, I respectfully ask the Committee to not pass SB 294 out of committee. Thank you for your consideration.