

TO: Senate Assessment and Taxation Committee

FROM: Jamie Robichaud, Deputy City Administrator, City of Prairie Village, KS

SUBJECT: Testimony in Opposition of SB 294

DATE: February 3, 2020

The City of Prairie Village **strongly opposes** SB 294, which requires taxing entities, such as local governments like Prairie Village, to set a mill levy based on levying the same amount of property tax in dollars as previous years, or go through the process to have a truth-in-taxation hearing.

The City of Prairie Village and local governments across Kansas work tirelessly to ensure tax dollars are spent efficiently and transparently. Prairie Village currently has a Aaa bond rating, which highlights the fiscally-sound, balanced budget the City has worked very hard to maintain over the course of many years in order to be good stewards of taxpayer dollars. Despite the City's sound fiscal management and relatively low tax burden on residents for the value of services provided, the State passed the property tax lid law, taking away local control for local elected officials to make their own funding decisions in the best interest of the residents who elected them.

SB 294 is yet another attempt by the State to take away local control from local governments. Our local communities' values and standards across the state are best served when local taxing and spending are determined by local voters and taxpayers. SB 294 takes away the authority of locally elected officials to conduct the business of their community in a manner that best reflects the desires of their constituents and results in maximum benefit to that community.

In addition to prohibiting local governments to exercise home rule and determine what is best for their own community, SB 294 is flawed for many other reasons:

- SB 294 does not allow local governments to account for new growth when setting their mill levy, which will have a major impact on Prairie Village's ability to continue to maintain a fiscally-sound budget.
- SB 294 is based on the Utah model, which has been proven to result in steep tax increases, having the exact opposite outcome from what the legislation intended.
- SB 294 does not have built in exemptions for law enforcement, fire, or EMS, which will have a direct impact on a City's ability to adequately invest in public safety.
- SB 294 does not remove the current property tax lid, and the Truth in Taxation process laid out in the legislation does not work with the requirements for a tax lid election.
- The legislation says that only one taxing entity can have a Truth in Taxation hearing at one time. There are 8 different taxing entities in Prairie Village alone, and many more in other larger cities. The requirements in the legislation as written would be impossible for taxing entities to execute.

The City of Prairie Village urges you to oppose SB 294. Thank you for your consideration.