



**House Committee Taxation
Hearing on Senate Bill 13
Hearing Date – January 26, 2021**

**Written Testimony regarding SB 13 on behalf of the City of Manhattan
By Ron Fehr, City Manger**

Good afternoon Chair Smith, Vice Chair Mason and Honorable Members of the House Committee on Taxation.

The City of Manhattan is neutral toward SB 13 as written. Senate Bill 13 would establish notice and public hearing requirements prior to approval by a governing body to exceed its certified tax rate for property tax purposes, while repealing the property tax lid in 2021. While the City of Manhattan is fully supportive of repealing the Tax Lid in 2021, there are multiple concerns related to SB 13 as written that the City of Manhattan would like addressed.

- SB 13 creates substantial administrative costs to implement. The proposed requirements for notices sent to every residential and commercial property taxpayer would unduly cost taxpayers thousands of dollars. Current law already requires local governments to provide notice to the public regarding budget hearings prior to adoption.
- SB 13 requires cities to notify of intent to exceed the revenue-neutral rate by July 15. This date does not allow enough time for cities to generate solid budget estimates. This uncertainty forces cities to underestimate revenues and overestimate expenses, leading to a greater reliance on property taxes.
- SB 13 exempts school districts from notification procedures. Including all taxing jurisdictions is necessary for a fully transparent process.
- The City of Manhattan supports delaying the effective date of transparency and notification requirements to 2022 in order to provide appropriate time to plan for implementation.
- Elected, informed local governing bodies should have direct oversight and control of local tax policy. Legislation such as the tax lid and SB 13 undermine the duties of locally elected officials who are responsible for making local tax and spending decisions and represent their constituents.

For all the reasons stated above, the City of Manhattan asks the Committee to address these concerns related to SB 13 as listed above. Thank you for your time and consideration.