



COUNTY OF LEAVENWORTH
BOARD OF COUNTY COMMISSIONERS

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February 8, 2021

Re: Opposition to HB 2142

Dear Chairman Adam Smith, Members of the House Taxation Committee,

As chairman of the board of county commissioners of Leavenworth county, Kansas, I strongly urge you to oppose the adoption HB 2142, or any variant of it. The consequences of the adoption of this Bill to the county of Leavenworth, the cities within the county and the counties and cities of the state are dire and would significantly, negatively, impact the delivery of governmental services by local governments.

HB 2142 purports to provide relief to businesses impacted by the COVID-19 pandemic through the remission of property taxes paid by them beginning December 31, 2019. The Bill mandates that the boards of county commissioner would be required to determine the validity of claims using the formula within the bill. Has any consideration been made for the amount of time and staffing that would be required to conduct this determination process in counties with more than a handful of businesses? Has any consideration been made of the potential impact of appeals of the determinations made by the board of county commissioners as allowed for by K.S.A. 19-223? The intent of the Bill appears to be mandate such remissions without meaningful consideration.

Requiring counties to remit property taxes paid by businesses during 2020 is an unreasonable and unjustified burden to local governments. How will counties acquire the funding for these remissions? Will the constituent components of local governments be required to subsequently remit their share of business property taxes shared with them by the counties? Will the counties be forced to increase property tax levies in following years to fund the remissions? Does the Bill effectively shift property taxes from businesses to homeowners, many of whom are on fixed incomes?

Local governments already face financial stresses due to the pandemic. HB 2142, however well intentioned, would deliver a blow **against local governments** without any corresponding assistance from the state. HB 2142 could lead Leavenworth county to somehow fund the remission of up to approximately \$2,000,000.00. The adoption of HB 2142 would constitute the ultimate unfunded mandate and work hardship upon the citizens of the county through the required reduction of public services or increases in future property taxes.

My opposition to HB 2142, or any variant of it, is not based upon any lack of understanding of the impact of the pandemic upon businesses, but upon the realization of the shifting of the impact upon businesses to homeowners, farmers and other non-commercial tax payers and the negative impact upon local governments that would come about through HB 2142, if adopted.

As a local elected official already facing the fiscal impact of COVID-19, I ask you and the committee to consider the negative impacts of HB 2142 and reject its adoption.

Sincerely,



Michael Smith

Leavenworth County Commissioner, Chairperson