



March 9, 2016

Testimony in Opposition of HB 2609

Chairman Klee and Members of the Committee:

On behalf of Americans for Prosperity activists across the state, thank you for this opportunity to voice our opposition to HB 2609, a bill that will strip away important protections for Kansas property taxpayers.

Last year, the Legislature passed significant property tax protection measures that will require voter approval for budget increases in excess of the rate of inflation. This is a change from the previous system that allowed cities and counties to pass budgets that resulted in property tax increases without an affirmative vote by the governing board or voters for a higher tax rate.

HB 2609 effectively eliminates the requirement for a municipality wide vote on budgets that exceed the rate of inflation. In its place, citizens are given an option for a vote upon submission of a petition signed by 10% of the *electors* (all eligible voters) in the city or county.

A cursory look at the signature requirements, based on 10% of registered voters, shows that such a petition requirement is nearly insurmountable:

37,000 signatures required in Johnson County.

10,500 signatures required in Shawnee County.

20,400 signatures required in City of Wichita.

This proposed change contains no timeline for submission of the petition, only that the petition must be submitted in order to have a vote on the budget.

This bill eliminates much of the protection for taxpayers living in city limits by allowing cities to exercise Home Rule authority to bypass the voting requirement. With a 2/3 vote of the city governing body, the vote requirement can completely and permanently be swept away by a Charter Ordinance.

It is ironic that the petition signature requirement to challenge a Home Rule Charter Ordinance is significantly lower (equal to 10% of voters in last city election) than the signatures required to challenge a city budget (10% of all voters).

HB 2609, creates new exemptions for budget items such as bond and interest payments, personnel benefit costs, and costs for District Court and Juvenile detention operations. Coupled with the exemptions already existing in statute, the bill would exempt a substantial portion of normal and foreseeable operating expenses for municipalities, allowing these budget items to be increased beyond the rate of inflation.

The measure enacted into law last year was a tremendous first step toward providing real taxpayer protection from property tax increases. HB 2609, through a series of insurmountable petition requirements, explicit permission for Home Rule opt out, and thirteen broad exemptions, will eliminate all practical protection for Kansas property taxpayers.

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