

CITY MANAGER'S OFFICE  
Jason A. Gage  
City Manager  
300 West Ash · P.O. Box 736  
Salina, Kansas 67402-0736



TELEPHONE · (785) 309-5700  
FAX · (785) 309-5711  
TDD · (785) 309-5747  
E-MAIL · [jason.gage@salina.org](mailto:jason.gage@salina.org)  
WEBSITE · [www.salina-ks.gov](http://www.salina-ks.gov)

**TO: Chairman Les Donovan - Senate Assessment and Taxation Committee**  
**From: Jason A. Gage, City Manager**  
**Subject: Written Testimony Opposing SB 316**

### **Request**

Thank you for the opportunity to provide the City of Salina's position on SB 316. We are very appreciative of your time to consider this written testimony. With that said, we respectfully request that you oppose the passage of SB 316.

### **Bill Summary**

This bill is intended to accelerate last year's local property tax lid legislation for local governments and eliminate reasonable exceptions.

### **Reasons for Our Opposition**

We believe this bill is not good for Salina or other Kansas communities for the following reasons:

- The statutory fiscal year requirement for municipalities in Kansas is already awkward to work within. The tax lid timeline simply will not allow cities to have reliable financial information to use in time to request a public election on the property tax in August.
- The following statement published (without a stated source) by the Kansas Association of Realtors (KAR) is factually incorrect and appears to be a purposeful distortion of information!

*From 1999 to 2013, the total amount of property tax revenues collected by Kansas cities and counties has increased from \$859.4 million in 1999 to just over \$1.6 billion in 2013, which is a total increase of over 90% during this time period. On average, Kansas cities and counties increase the property tax burden by 6.4% each year, which is over twice the rate of inflation and population growth.*

- When following state law for calculating property taxes (K.S.A. 79-2925b), the City of Salina results are not near the KAR assertions and demonstrate a negative property tax impact for most years. Certainly, the state legislature can understand the importance of following its own statutory provisions which do not calculate the following for purposes of determining a property tax "increase": taxes directly

associated with annexed property, a change in taxes associated with a change in property use, cost inflation, and the continual and significant negative trend of personal property tax collections. We believe that if property calculated, this overall negative trend will be found to be an accurate depiction by most other cities in Kansas as well. This means there is likely not a local property tax issue to address.

- Communities and neighborhoods with a healthy real estate market are typically characterized by: low crime, quality streets, well maintained utilities and quality neighborhood parks. Over time, this legislation will harm property value growth and transaction volume by reducing necessary infrastructure maintenance, retarding infrastructure life and eventually requiring overly costly and premature reconstruction and replacement.
- The legislative process associated with the 2015 property tax lid law failed to: 1) provide a public opportunity for testimony, 2) provide a proper committee approach to working the bill; 3) provide adequate time for the public to have an opportunity to communicate with their legislators; 4) properly scrutinize information provided to them by an outside source; and 4) overall demonstrate a complete lack of transparency in the proceedings.
- The misuse of information provided by the KAR should not be relied upon by the Kansas legislature to modify the 2015 tax lid legislation. In fact, it should be the basis to fully repeal the 2015 legislation in its entirety, or at a minimum suspend application of it pending objective research on local property tax growth being completed.

### **Requested Action**

Due to the tax lid legislation and amendment being based on inaccurate data and assumptions, and its potential impact on neighborhood quality and property values, we respectfully request that you oppose SB 316 and consider repealing or suspending the 2015 tax lid legislation, pending objective research on the matter being completed.

Thank you for considering our testimony and request!