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Date: March 6, 2025
To: Chairwoman Tyson and the Senate Committee on Assessment and Taxation
From: City of Overland Park
Re: SB 280 – Opposition Testimony (Written)

Thank you for allowing the City of Overland Park to submit testimony in opposition to **SB 280**. This legislation would require an election be held whenever a local taxing entity seeks to increase its property tax by more than the rate of inflation. Subjecting property tax increases to a mandatory, unworkable and arbitrary election process endangers the ability of cities to function properly. For these reasons, and other reasons stated below, we strongly oppose passage of this proposed legislation.

The trigger of the consumer price index (“CPI”) does not account for the increasing costs of operating a municipality, and such an election requirement is an unnecessary limitation on fiscally responsible local governments and may result in the decrease of the quality of public services and programs. The City feels that the elected City government has been a responsible steward of property tax revenue and is best able to determine the amount of tax revenue required to provide the services and programs for the citizens of Overland Park.

SB 280 uses increases above the CPI as an artificial trigger for a costly election even if no citizen has requested it. The costs of each such election would be over \$250,000.¹ These elections would disrupt cities existing budget timelines, and conflict with the dates set forth in the existing revenue neutral rate process. If a special election is required, the notice requirements for the election may make it impossible for cities to comply with budget laws or pass a budget. Further, since SB 280 does not repeal the revenue neutral rate law, it may require cities who are not exceeding the revenue neutral rate to still hold a costly election.

Advocates of this bill may make comparison to required elections for sales taxes; however, such a comparisons fail to take into account that the election requirement for sales taxes (which can vary greatly from year to year) is manageable only because cities have had the flexibility to appropriate the amount of property taxes needed to fund recurring or known expenses. Additionally, sales taxes are generally used more for dedicated capital projects, which can be deferred to later years, while property taxes are used more often to fund recurring annual operational expenses. Subjecting property tax increases to a mandatory, unworkable election process endangers the ability of cities to fund continuing essential functions.

Overland Park is a prime example of a fiscally responsible government delivering high-quality services, without the interference of an arbitrarily-triggered and unworkable election. The City has the lowest mill levy of any city of the first class in Kansas, and in its most recent citywide survey 95% of respondents rated it as an excellent or good place to live and to raise children².

¹ Cost of Overland Park June 22, 2023 Mail Ballot Election was \$256,620.49.

² 2024 City of Overland Park Community Survey Findings Report.

Overland Park residents should not be forced to pay for an election they don't necessarily want, to approve their city's operational costs and maintain its financial health.

Thank you for allowing the City to submit testimony in opposition to **SB 280**. We respectfully request that the Committee not advance this legislation to the full Senate.