



**KANSAS**  
ASSOCIATION OF  
**COUNTIES**

**TESTIMONY**

concerning House Bill No. 2212

**re. Tax Levy Limitation**

House Taxation Committee

Presented by Randall Allen, Executive Director

Kansas Association of Counties

January 24, 2012

Chairman Carlson and members of the committee, my name is Randall Allen, Executive Director of the Kansas Association of Counties. I am here today to express our opposition to House Bill No. 2212. Our objections are based on several provisions in the bill, as follows:

1. **Setting of Mill Levy Rate.** There is a widespread perception that the governing bodies of local governments set the property tax mill levy rate each year to support the budgets they adopt in behalf of their municipalities. In fact, this is not true. Rather, local governments file their budgets with the county clerk, who applies the final assessed valuation to the amount of property taxes to be levied, as certified by the local governing body, establishing a mill levy rate.
2. **Limitation on Property Taxes.** Except for 1) property taxes generated from new real property; 2) property taxes levied to retire the principal and interest on bonded indebtedness; 3) property taxes previously approved by the electorate; and 4) property taxes for properties which have changed in use in the preceding year, New Section 1 of HB 2212 seems to limit the amount of ad valorem taxes levied by a county in any year to the amount levied in the prior year. This is, in fact, a tax levy limitation.

Kansas counties are already restricted in revenue options that may be used to support basic services. The property tax is the main source of revenue supporting county services, followed to a much lesser extent by local-option sales taxes. In our system of representative government, the same Kansans who elect the members of the Legislature also elect county commissioners who are entrusted with financial responsibilities in behalf of counties. The same good judgment exercised by the people of Kansas to elect capable representatives to this body is exercised in electing county officials.

Ironically, there is no property tax restriction in HB 2212 restricting the State from generating additional revenue for state purposes under the statewide K-12 mill levy (20 mills, referenced in line 13 of HB 2212) or the State Institutional Building levy (1.5 mills, also referenced in line 13). Why are local governments being singled out?

Current law (K.S.A. 79-2925b) enacted in 1999 under the label "Truth in Taxation" requires local governing bodies to adopt a resolution or ordinance if they intend to approve a budget which is funded by property tax revenue

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exceeding that of the prior year, with the exceptions as listed in lines 5 through 9 on page 2 of HB 2212. This section of current law provides notification to local property taxpayers, so they can then appear at the statutory public hearing on the proposed budget prior to its adoption.

In summary, county commissioners are close to the people and sensitive to the concerns of citizens in matters of taxation and public services. Although county commissioners, like the Legislature or any other elected body, are reluctant to raise taxes except for extraordinary reasons, it is sometimes necessary to do so based on extenuating circumstances. We urge the Legislature to respect local control and the need for counties and other units of local government to adopt budgets and associated property tax requirements as are necessary to provide essential local services, and thereby reject HB 2212.

Thank you, Mr. Chairman, for the opportunity to present this testimony on behalf of our member counties.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randall Allen by calling (785) 272-2585.