



# Testimony

Unified Government Public Relations  
701 N. 7<sup>th</sup> Street, Room 620  
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director  
913.573.5565 mtaylor@wycokck.org

---

## Personal Property Tax on Motor Vehicles Senate Bill 181

### Delivered to: Senate Assessment and Taxation Committee

The Unified Government of Wyandotte County/Kansas City opposes SB 181. The reason is simple: we can't afford it.

The fiscal note estimates local governments will lose \$24.2-million in property tax revenues in 2014. That amount increases to \$51.7-million in 2016. The Kansas Legislature should not continue dumping the cost of tax policy changes on local governments. Nor should it continue solving its budget shortfalls by taking revenues belonging to or promised to city and county governments.

Local Governments have been cheated out of nearly \$1.5-billion in Local Ad Valorem Tax Reduction Funds since 1992 as Governors and Legislatures broke the longstanding agreement negotiated between Local Governments and the State in the 1970's.

In 2006, the Kansas Legislature repealed the property tax on commercial and industrial machinery and equipment. That decision, while positive for business, has taken a devastating toll on Unified Government revenues. Since 2006, Wyandotte County has lost more than \$106-million in assessed value from machinery and equipment, reducing Unified Government property taxes by more than \$23.4-million. Those dollars were once used to pay for police and fire protection, street repairs and general operations.

Meanwhile, assessed value of real property in Wyandotte County has plummeted since 2008 when the recession began. 97% of all residential parcels in the county lost value during this period, meaning the actual tax dollars paid on homes decreased. The value of Wyandotte County property dropped 16% since 2008. This creates a situation where the same tax rates produce fewer dollars to pay for services and programs.

The Unified Government managed the major revenue shortfalls created by the Legislature and the recession by adopting a series of difficult budget policies.

- Cut spending more than \$7-million a year;
- Reduced the workforce by more than 10% totaling almost 300 people;
- Cut department operating budgets by 20%
- Imposed employee furloughs
- Froze salaries with no pay raises for four years;
- Enacted hiring freezes;
- Suspended capital improvement projects and equipment purchases;

SB 181 would no doubt be very popular with citizens. That is until the property taxes on their homes and businesses skyrocket because there will be no other way left to pay for police, fire and other basic services.