

To: Committee on Taxation

From: Linda Kizzire, Sedgwick County Treasurer

Date: February 4, 2016

Re: House Bill 2377

Mr. Chairman and Members Committee on Taxation:

I am offering written testimony in opposition of House Bill 2377. This Bill will make changes to Kansas Statute 79-2004 which provides a property tax averaging payment plan and a property tax installment payment plan.

As many of you may know, Sedgwick County currently allows constituents to make payments on all real and personal property taxes, current and delinquent. This allows for people on fixed or limited incomes the ability to place payments into an escrow type account, therefore reducing the burden of paying in two installments. We provide the customer payment coupons and return envelopes to make this process easy.

The proposed changes will require excessive manual work to be performed and constant monitoring. This process will impact 107 taxing authorities in Sedgwick County. The extra duties outlined in this Bill will require additional personnel and office space/workstations/computer equipment. In addition, our current tax software will require costly enhancements in order to properly track, record, and disburse tax payments. The cost to the County to meet the requirements of this Bill will be substantial. We will not be able to offset these charges with additional fees.

Additionally, I have concerns regarding the ability of taxpayers to indefinitely defer taxes. This could result in decreased annual revenues with no timeframe of recovery of the deferred taxes. The homestead owner could make improvements to the property and benefit from these improvements without paying the additional assessments owed upon completion. We would be funding, through this deferral process, home improvements without additional tax collection.

I believe the passage of this bill would adversely affect the collection of special assessments. Municipalities would have a difficult time bonding if there is no guarantee that the installment payments for the assessments would be collected in full according to the installment schedule.

As an elected official, my goal is to provide accurate, efficient service to my constituents. I see this legislation as a cumbersome and expensive process, which will not benefit the majority of tax payers in Sedgwick County. Please do not support this change.

Thank you.

Linda Kizzire, Sedgwick County Treasurer