



CLAY COUNTY BOARD OF COUNTY COMMISSIONERS

712 5TH, Suite 102
CLAY CENTER, KS 67432
(785) 632-2552 FAX (785) 632-5856

Jerry F. Mayo, David M. Thurlow, and Michael W. Spicer

Re: HB2609 – Tax Lid

Dear Honorable Members of the House Taxation Committee:

The Board of Commissioners of Clay County, Kansas would like to go on record as being supportive of HB2609, which is a revision of the “Tax Lid” legislation which was enacted in 2015, although Clay County would find it preferable completely repeal of this “tax lid” legislation.

This legislation is an attempt for the State of Kansas to meddle in the works of local units of government in a time when the State has been unable to handle their own financial situation. In 2015, the legislature passed large tax increases without the people of the state being given the opportunity to vote. Is the State willing to bring itself under the same regulations as they are imposing upon local units of government?

The local units of government are in contact with constituents almost on a daily basis. We not only hear their concerns, but our actions affect our own lives and finances just as they do each of our county residents. Just as State Senators and Representatives are elected to represent their constituents, local officials are elected to represent their local constituents. We take our responsibility very seriously.

We opposed the tax lid for the following reasons:

1. This legislation makes it nearly impossible to construct and approve a budget. The deadlines are already very close. In the event an election is needed the possibility of not having a budget by the time property taxes are due by December 20th is a very real possibility. Consider if a county budget required an election. The election was held and the budget was voted down. So the County Commission would have to reconstruct a budget. If that budget would require a vote, it could very possibly be December or January before the budget could be finalized. **Is the state willing to wait to receive their share of property taxes remitted by counties until budgets are set and tax statements prepared?**
2. The present budget process provides for timely publication and hearings for public input prior to adoption. The public has the ability to make their views known in a rational method which has worked for many years. The present process does not impede the budget process nor does it cause exorbitant expenses in its implementation.
3. In the past 20 years, the largest increase in Clay County property taxes came only after the State eliminated the “Demand Transfers”. This increased Clay County’s mill levy by 8 mills. Furthermore, Clay County is one of the counties crossed by the Keystone Pipeline, a project

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CLAY COUNTY WITH INTEGRITY AND VISION.”

which the Kansas Legislature gave a complete 10 year exemption from property taxes. This move cost the taxpayers of Clay County nearly \$1,000,000 per year in property taxes. Clay County's mill levy would be 10 mills lower today had the Keystone not been exempted. We have 0 (zero) jobs or other economic benefits to show for this exemption.

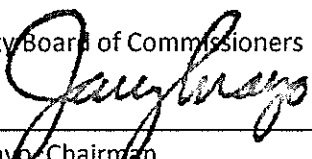
The state has been too willing to grant exemptions for about any cause without thought of how it will affect counties and cities. It's a very weak argument to try to pin the rise in local property taxes upon county government. Most of the increases we've had to impose on our residents are the result of maneuvers the State has taken in passing on the cost of government to the local units.

4. The "Consumer Price Index" is not indicative of the costs which affect a county's budget. There are many things exempted from the CPI the county routinely purchases such as asphalt, fuel, & tires. When you consider where we've been with the wild swings in oil prices, you can easily see how this expense can dramatically affect a budget. The Municipal Cost Index makes much more sense.
5. The commissioners and councilmen of each county and city are elected by its' voters to administer the affairs of their respective body. Please repeal this tax lid and allow these elected county and city officials to do the job they were elected to do and let them be responsible to those who elected them. Local elected officials work hard to represent their constituents and are very aware of local issues. Please don't try to micromanage local government. Local government is responsive and works well.

The "tax lid" legislation is bad for every city and county in the State of Kansas. We would ask you consider HB2609 favorably and seriously consider a complete repeal of the "tax lid" legislation.

Thank you for your time and consideration.

Sincerely,
Clay County Board of Commissioners



Jerry F. Mayo, Chairman
785-632-2656/785-632-2552
mayos2656@sbcglobal.net