

Testimony in Support to House Bill 2609 – Approval of budgets by taxing subdivisions; resolution and election requirements

To: Honorable Chair Marvin Kleeb

Members of the House Committee on Taxation

From: Nolan Sunderman, Assistant to the City Administrator

Date: March 1, 2016

Thank you for the opportunity to provide comments regarding House Bill 2609 - Approval of budgets by taxing subdivisions; resolution and election requirements. We support the efforts to improve the current property tax lid statute, which if left as is, will have a devastating impact on the quality of life for communities.

The City of Prairie Village supports the efforts and intentions of House Bill 2609. Due to the lack of hearings and public input, the current statute is not feasible. House Bill 2609 begins the process to improve the current tax lid to include exemptions for funding the many essential services local governments provide on a daily basis. Cities must have the flexibility to react to the needs of local taxpayers and maintain essential services, including public safety.

Over the last 15 years, the City of Prairie Village has increased their mill levy by less than 3.5 mills. Over those 15 years, there has been an almost 80% increase in the average sales price of a home. The City of Prairie Village budget is 2/3 dedicated to the Police Department, and residents have consistently voiced their dedication to providing high-quality public safety. The taxes, which the Legislature has now placed an artificial cap on, are the same taxes which provide police officers, snow removal, streets, community centers, parks, 911 services, lifeguards, and code enforcement officers.

Although the City of Prairie Village in no way supports a property tax lid, House Bill 2609 is an attempt to correct some of the many issues associated with the current tax lid statute. By adding additional exemptions to allow for the City to provide essential services, as well as a local petition process, it will assist the City of Prairie Village in continuing to provide high-quality essential services to local residents. The City also supports effort to move away from CPI to an index which more closely resembles purchases of local governments as well as a 3 or 5 year average of that index. This will allow better financial planning.

The City of Prairie Village strongly supports local control which includes maintaining authority over the City's budget and financial obligations. The current property tax lid is an attack on the ability of locally-elected officials to implement programs that have positive impacts on the community. The City of Prairie Village is supportive of the efforts listed in House Bill 2609 to start the process to correct some of the many concerns with the current law.