



Testimony to House Taxation Committee
HB 2609 Property Tax – Citizens’ Right to Vote
March 10, 2016
James Franko, Vice President / Policy Director

Chairman Kleeb and members of the Committee,

We appreciate this opportunity to testify in strong opposition to HB 2609, which is a multi-pronged attempt to strip citizens of their right to vote on whether, with some exceptions, property taxes could increase beyond the rate of inflation. Since other conferees are addressing the many technical components of the bill, our testimony will focus on the critical need for citizens to be allowed to vote on property taxes – and to do so now rather than in 2018 as scheduled.

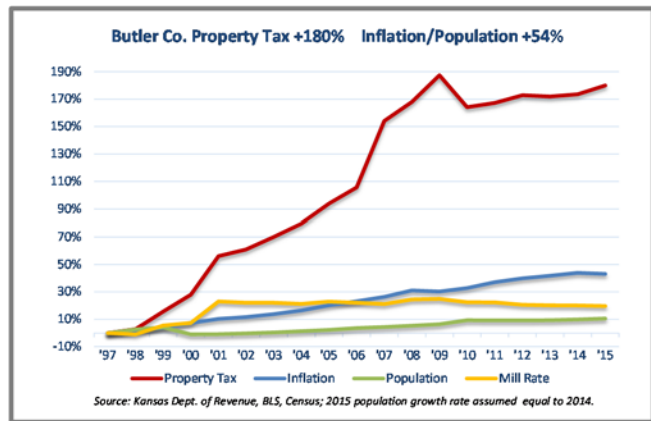
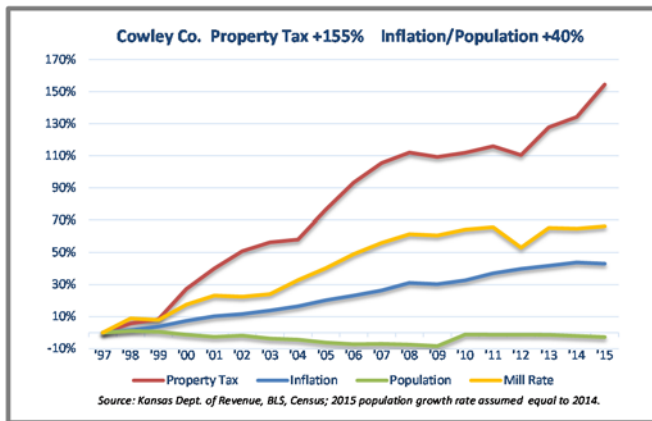
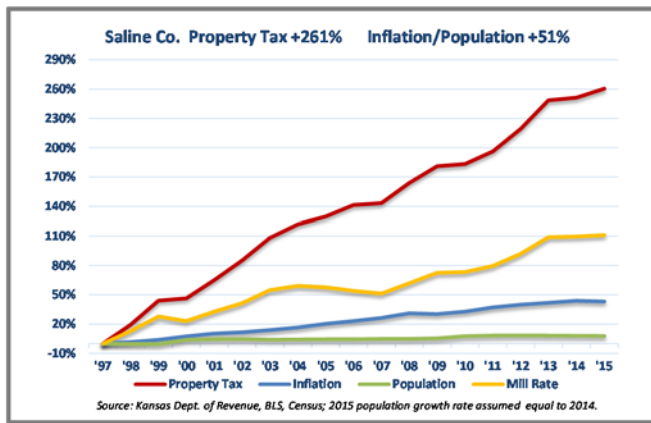
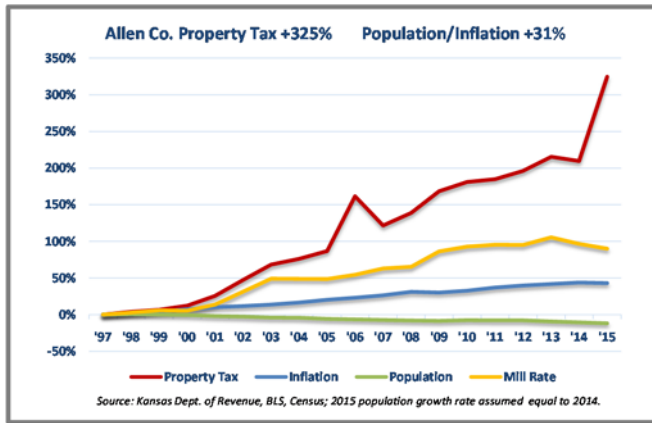
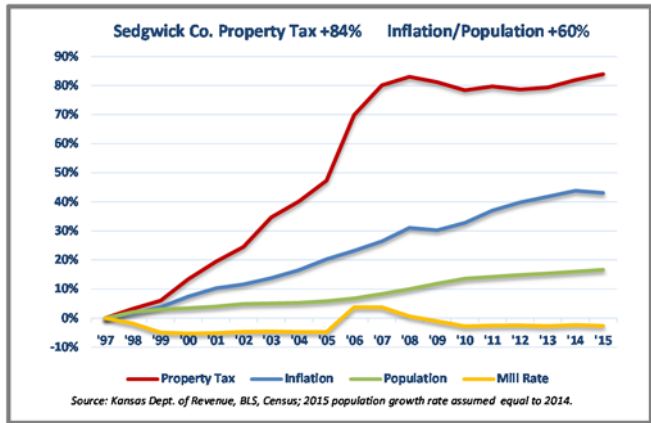
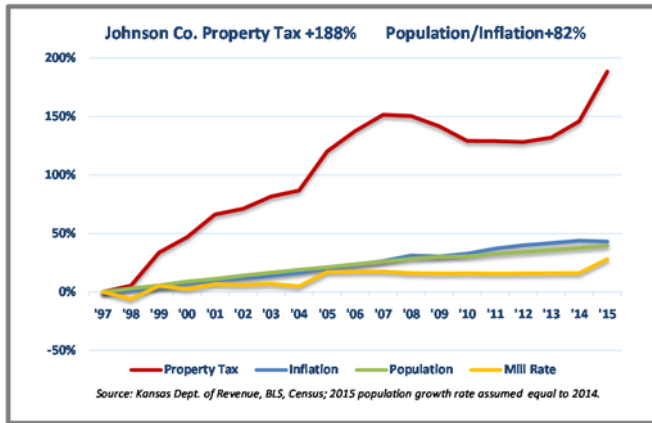
Citizens Deserve the Right to Vote

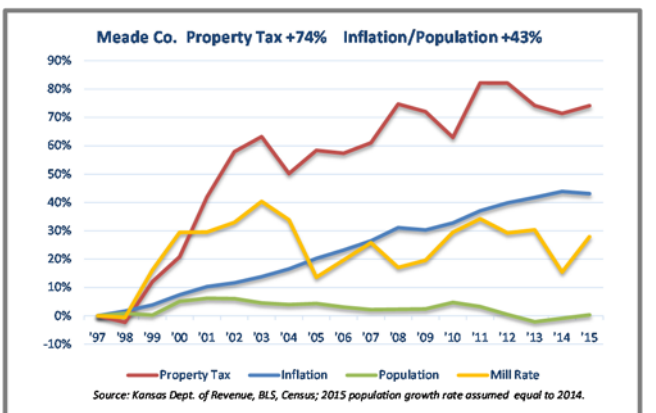
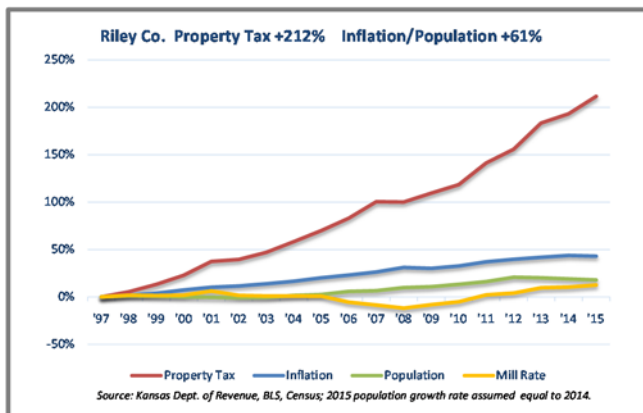
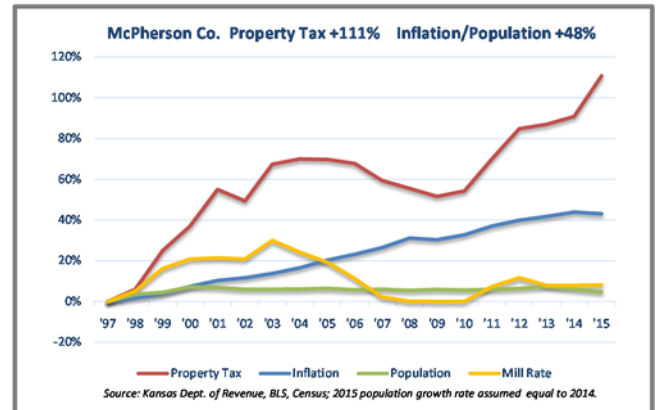
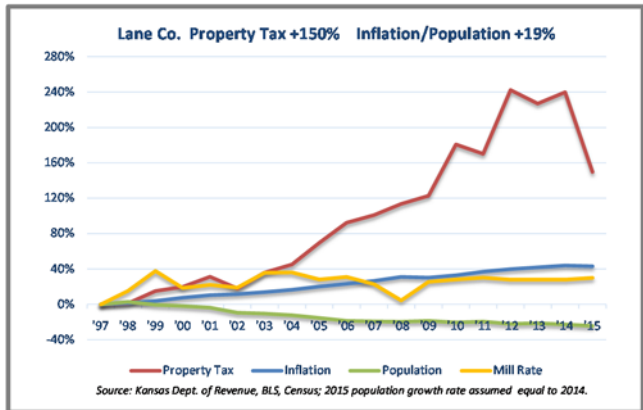
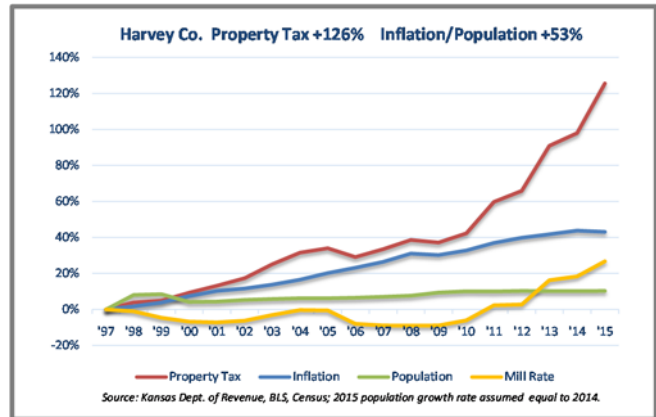
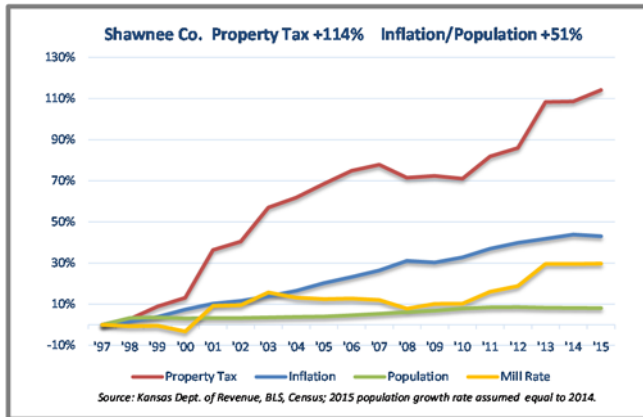
Before discussing the need to allow voting to begin this year instead of in 2018, it’s important to review the circumstances that led to the Legislature granting citizens the right to vote on property tax increases.

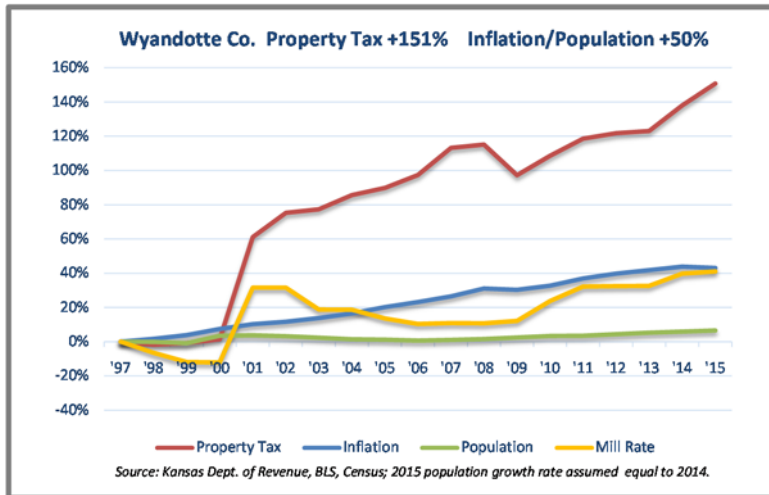
For many years, local government has not been honest about property tax increases. Elected officials imply they are not increasing property taxes by only referring to the mill rates, and citizens are frankly fed up with that deception. Government may want to pretend that a flat mill rate means taxes aren’t increasing but citizens disagree. A statewide public opinion poll conducted on behalf of KPI by SurveyUSA last December found that 60% of Kansans believe that that constitutes a tax increase and only 24% do not. That sentiment is consistent across all geographic and ideological lines.

If the County increases the valuation of your property but the tax rate is unchanged, do you consider that to be a tax increase? Or not?								
509 Adults	All	Region				Ideology		
Margin of Error: ± 4.3%		Western Kansas	Wichita Area	Kansas City Area	Eastern Kansas	Conserv	Mod.	Liberal
Consider that a tax increase	60%	65%	58%	58%	60%	65%	56%	53%
Do not	24%	15%	20%	30%	23%	19%	28%	25%
Not Sure	17%	20%	22%	12%	17%	16%	17%	22%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Composition of Adults	100%	13%	18%	28%	42%	42%	44%	11%

Property taxes increased dramatically since 1997, and in some cases, more than double or even triple the combined rates of inflation and population.







Charts of this nature for all 105 counties and the 25 largest cities in Kansas can be found at KansasOpenGov.org.

Local government has offered a variety of excuses when confronted with these very large tax increases, but those excuses don't stand up to scrutiny.

- **Claim: tax increases were caused by elimination of Local Ad Valorem Tax Relief** – the reality is that some of the largest annual increases occurred in the years when LAVTR and revenue sharing

was funded. Local government took state money intended for property tax relief and still socked citizens with large property tax increases.

- **Claim: state tax reform and/or state budget changes 'forced' cities and counties to increase property taxes** – such circumstances would impact all cities and counties if that was truly the case, but every year some counties reduce their property taxes; in fact, 31 counties reduced property taxes in 2015. Also, KPI surveyed all 105 counties last year asking them to identify their reason for tax increase; none of those who responded blamed tax reform or state budget changes.
- **Claim: citizens demand good services, which requires tax increases** – equating good service with tax increases is a false choice, as there are ample opportunities for cities and counties to operate more efficiently; further, if voters really wanted large tax increases, government wouldn't be trying to strip them of their voting rights. Even when presented with proof that citizens oppose tax increases, Johnson County commissioners ignored the will of the public and rammed through a 21% tax increase in 2015. Johnson County's own survey revealed overwhelming opposition to property tax increases but four of the seven commissioners went right ahead with their plans.

Citizens Deserve the Right to Vote Now, Not in 2018

Voters have a strong desire to vote on property tax increases and a great many of them don't want to wait until 2018. Our statewide SurveyUSA poll found that 69% of Kansans want the right to vote on property tax increases and 50% believe voting should begin this year.

The state legislature passed a bill that, with some exceptions, will eventually prevent cities and counties from increasing property taxes by more than the rate of inflation without voter approval. The law doesn't take effect for three years. Do you think the law is...								
509 Adults	All	Region				Ideology		
Margin of Error: ± 4.3%		Western Kansas	Wichita Area	Kansas City Area	Eastern Kansas	Conserv	Mod.	Liberal
Good idea that should start now	50%	45%	55%	50%	49%	53%	46%	51%
Good idea - start in 2018	19%	40%	12%	19%	15%	11%	27%	13%
Bad idea	19%	13%	19%	19%	21%	16%	20%	25%
Not Sure	13%	3%	14%	13%	15%	20%	7%	11%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Composition of Adults	100%	13%	18%	28%	42%	42%	44%	11%

Support for citizen’s right to vote on property tax increases crosses all geographic and ideological lines and in fact, a majority or plurality of each group wants the right to vote this year. And with good reason. Many local governments took advantage of the three-year window to dramatically increase property taxes last year before citizens’ right to vote kicks in.

Morton	40.2%	Wallace	10.6%	Washington	6.8%	Coffeyville	12.7%
Allen	37.2%	McPherson	10.5%	Republic	6.7%	Manhattan	11.3%
Lincoln	32.0%	Marshall	9.9%	Jefferson	6.6%	Lenexa	8.1%
Linn	23.1%	Montgomery	9.9%	Atchison	6.5%	Dodge City	7.9%
Wilson	22.2%	Ellsworth	9.7%	Morris	6.5%	Olathe	7.9%
Johnson	17.3%	Brown	8.8%	Labette	6.5%	Shawnee	7.0%
Cloud	16.9%	Ford	8.8%	Riley	6.2%	Overland Park	6.2%
Coffey	15.5%	Cowley	8.6%	Bourbon	6.0%	Garden City	5.8%
Harper	14.6%	Pottawatomie	8.4%	Reno	5.8%	Kansas City	5.5%
Harvey	13.9%	Doniphan	8.3%	Miami	5.8%	Leawood	5.3%
Geary	13.6%	Sumner	7.7%	Cheyenne	5.4%	Prairie Village	4.9%
Jewell	13.5%	Chase	7.7%	Wyandotte	5.4%		
Dickinson	12.1%	Pratt	7.5%	Leavenworth	5.3%		
Seward	11.6%	Anderson	7.3%	Jackson	4.8%		
Lyon	10.7%	Elk	7.2%	Thomas	4.6%		

Voters can look forward to more of these shocking property tax increases unless legislators reject HB 2609 and instead allow citizens to vote this year.

Cities and counties claim that citizens can vote them out of office if unsatisfied, but we all know that that is not realistic given the power of incumbency. Congress, for example, has extremely low approval rates but no less than 85% of incumbents have been re-elected over the last fifty years.

It simply comes down to this: will the majority of legislators side with government and approve HB 2609 or will the majority side with citizens and reject it.

We encourage you to side with citizens.



KANSAS POLICY INSTITUTE

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Property Tax Growth Far Exceeds Inflation and Population 1997-2015								
County	Property Tax	Infl. + Pop.	County	Property Tax	Infl. + Pop.	County	Property Tax	Infl. + Pop.
Allen	325%	31%	Johnson	188%	82%	Sherman	99%	36%
Anderson	186%	42%	Kearny	95%	37%	Smith	184%	25%
Atchison	157%	43%	Kingman	173%	32%	Stafford	85%	26%
Barber	204%	33%	Kiowa	108%	16%	Stanton	85%	31%
Barton	154%	41%	Labette	158%	35%	Stevens	23%	51%
Bourbon	138%	40%	Lane	150%	19%	Sumner	78%	30%
Brown	142%	31%	Leavenworth	186%	56%	Thomas	150%	38%
Butler	180%	54%	Lincoln	237%	39%	Trego	134%	29%
Chase	84%	36%	Linn	189%	48%	Wabaunsee	207%	48%
Chautauqua	114%	21%	Logan	181%	35%	Wallace	293%	24%
Cherokee	136%	35%	Lyon	156%	40%	Washington	143%	27%
Cheyenne	228%	27%	Marion	192%	38%	Wichita	99%	23%
Clark	84%	29%	Marshall	156%	33%	Wilson	115%	30%
Clay	138%	32%	McPherson	111%	48%	Woodson	147%	21%
Cloud	144%	35%	Meade	74%	43%	Wyandotte	151%	50%
Coffey	79%	40%	Miami	142%	68%	State Avg.	134%	55%
Comanche	134%	41%	Mitchell	311%	32%			
Cowley	154%	40%	Montgomery	127%	34%			
Crawford	109%	52%	Morris	162%	35%			
Decatur	84%	25%	Morton	97%	34%			
Dickinson	227%	41%	Nemaha	181%	42%			
Doniphan	245%	46%	Neosho	177%	40%			
Douglas	250%	73%	Ness	88%	29%			
Edwards	76%	34%	Norton	114%	37%			
Elk	100%	25%	Osage	345%	36%			
Ellis	156%	53%	Osborne	147%	25%			
Ellsworth	79%	45%	Ottawa	187%	47%			
Finney	87%	47%	Pawnee	125%	38%			
Ford	102%	62%	Phillips	96%	34%			
Franklin	143%	50%	Pottawatomie	81%	70%			
Geary	263%	87%	Pratt	177%	45%			
Gove	179%	30%	Rawlins	42%	23%			
Graham	59%	21%	Reno	195%	44%			
Grant	2%	41%	Republic	126%	21%			
Gray	98%	55%	Rice	98%	43%			
Greeley	82%	19%	Riley	212%	61%			
Greenwood	67%	21%	Rooks	64%	33%			
Hamilton	52%	57%	Rush	83%	37%			
Harper	145%	32%	Russell	89%	35%			
Harvey	126%	53%	Saline	260%	51%			
Haskell	70%	45%	Scott	234%	47%			
Hodgeman	92%	28%	Sedgwick	84%	60%			
Jackson	179%	57%	Seward	82%	60%			
Jefferson	107%	48%	Shawnee	114%	51%			
Jewell	172%	19%	Sheridan	102%	36%			
						City	Property Tax	Infl. + Pop.
						Atchison	79%	43%
						Coffeyville	70%	23%
						Dodge City	104%	67%
						Emporia	73%	40%
						Fort Scott	102%	37%
						Garden City	115%	55%
						Hutchinson	100%	49%
						Junction City	136%	86%
						Kansas City	30%	49%
						Lawrence	197%	67%
						Leavenworth	2%	35%
						Leawood	173%	84%
						Lenexa	143%	79%
						Liberal	159%	64%
						Manhattan	233%	75%
						Newton	78%	51%
						Olathe	188%	106%
						Overland Park	197%	82%
						Parsons	91%	31%
						Pittsburg	107%	53%
						Prairie Village	103%	36%
						Salina	86%	51%
						Shawnee	201%	90%
						Topeka	90%	46%
						Wichita	97%	62%
						City Avg.	111%	63%

Source: Kansas Dept. of Revenue, Census, Bureau of Labor Statistics; 2015 population assumed to grow at 2014 rate.

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