GARDEN CITY
— KANSAS —

CITY COMMISSION
JANET A. DOLL,
Mayor

ROY CESSNA
MELVIN L. DALE
DAN FANKHAUSER
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SB316 TESTIMONY BEFORE THE SENATE ASSESSMENT AND TAXATIONCOMMITTEE
JENNIFER CUNNINGHAM
CITY OF GARDEN CITY, KANSAS
March 9, 2016

Chairman Donovan,

Thank you for allowing me to provide testimony on behalf of the City of Garden City in opposition of Senate Bill 316. Senate Bill 316 will have an adverse effect on economic growth and public safety in Garden City, has been supported with inaccurate data, and purports to stop Cities and Counties from doing something that the very bill incentivizes.

Garden City has experienced tremendous growth over the last few years. This growth not only benefits our local economy and citizens, but the State of Kansas as well. The supporters of this bill will tell you that nothing in this bill stops Garden City from continuing to grow, from offering Rural Housing Incentive Districts, Neighborhood Revitalization programs, building permit subsidies or anything else that would promote growth. However, in the same breath they tell you this will make cities and counties responsible. Being responsible means not offering these things anymore, not because we are not able to, but because if we do, five years from now we may not be able to provide the services that are necessary for the growth those incentives have created. This is an indirect but detrimental impact—one that will end up taking away from the southwest Kansas economy and the value added to the Kansas economy.

The supporters of this bill supplied our local realtors with alarming, incorrect data that said almost $16 million dollars would have gone back to tax payers in Garden City if the tax lid had been in place from 1997-2016. This data was initially pushed out scolding Garden City for their excessive property tax. However, the same lobbyist for KAR that pushed out this alarming data gave an educational meeting one week ago where he assured both local realtors and everyone else in attendance that this bill wouldn't be necessary if all communities were as responsible as Garden City. So which is it?

Using the correct property tax revenues for Garden City with all of the exemptions from current law in HB2109, Garden City has saved their taxpayers $494,000 over the same 1997-2016 period. With none of the exemptions from HB2109, approximately $3 million would have gone back to the taxpayers over that period. To put that into perspective, the math works out to be an average of $16 per year per taxpayer. The supporters of SB316 have said that Garden City submitted false financials to the State of Kansas. This claim is absurd. For the same 1997-2016 time period the Garden City Finance Director has won awards for responsible and accurate financial reporting. The fact is that the numbers Garden City supplied are correct and the ones the Kansas Association of Realtors supplied are incorrect. Is this true for other cities and counties? Is

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this true for the statewide number? How much of the information being used to push this bill forward is inaccurate?

This bill is brought before you with a story that tugs at your heart and pushes you to make Cities and Counties spend efficiently; in the opinion of supporters that is accomplished with the Consumer Price Index. In many of the last 18 years, Garden City has kept property tax revenue increases below the Consumer Price Index. While this was not done with the Consumer Price Index in mind, it was done by Commissioners who were elected to be fiscally responsible. Being fiscally responsible includes taxing when necessary and spending in a way that uses the least and achieves the most. In some years, this means property tax revenue increases are below the Consumer Price Index, and in some years, those revenue increases are above. This takes time and planning and holds those making the decisions responsible. SB316 incentivizes them to do just the opposite, to tax up to the consumer price index every single year whether they need it or not. This would be the only way they could plan for future needs or future growth. That specifically takes away from what they are elected to do and what they want to do for their community.

Garden City Area Chamber, Finney County Economic Development and our local Home Builder's Association all oppose SB316. These groups also have legislative platforms to control and limit taxation, yet recognize this is a poor tool for the task.

From Garden City's perspective and analysis I ask you to consider two things:

1. Adding to a multi-year or base year "look back" to the bill that is not based solely upon the previous year's property tax revenues.
2. Ensure there is an exemption that includes KPERS and more importantly KP&F.

For these reasons, the City of Garden City strongly opposes Senate Bill 316 as written. We respectfully ask that you do the same.