



KANSAS
ASSOCIATION OF
COUNTIES

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Testimony of the Kansas Association of Counties to the
House Committee on Taxation
Opponent of HB 2584 • February 12, 2018

Mr. Chairman and Members of the Committee:

KAC is joining the Kansas County Treasurers Association in opposition to HB 2584. The bill places into escrow funds that are under protest until the appeal is final. Because tax revenue arrives on a rolling basis and the protest process can be lengthy, the change in HB 2584 risks counties operating without adequate revenue to function. Further, the change would add administrative costs for tracking and distribution that would be unrealistic for implementation—particularly for our more rural communities. For these reasons, we oppose the changes in HB 2584 and ask this committee to similarly oppose the bill.

Even if our counties were to set aside the practical challenges of erratic revenue streams and proper tracking of accessible funds, there is still an essential question on what revenues are ineligible for distribution. HB 2584 specifies that “the county treasurer may not distribute that portion of the taxes that is in dispute...” Yet if the taxpayer claims the property is only valued at \$1, then the effect of the legislation would place all of the funds into escrow for the length of the appeal. If this committee decides to work this bill, we ask you to find a solution to this essential problem before proceeding.

But an update only addresses the most glaring problem with the bill. If we added an amendment that set the disputed funds as the difference between the previous year’s valuation and the current year’s valuation, it still keeps the problem of making revenue collections more erratic and adding administrative burdens to proper balancing of the ledgers. The State of Kansas has experienced recent years of dread as revenue reached depleted levels. Our counties—and subsequently cities, schools, and townships—should not be in a position where the general fund nears \$0. HB 2584 increases the likelihood that this will happen.

The Kansas County Treasurers Association has the true expertise in executing the distribution of revenue, and we echo their concerns. While we all appreciate the bill’s objective of not spending what is not ours, the pitfalls of HB 2584 add more problems than benefits. With that in mind, we ask that you join us in opposing HB 2584. Thank you for your consideration.

Respectfully,

Nathan Eberline
Kansas Association of Counties