

To: House Taxation

From: Trey Cocking, Deputy Director

Date: February 13, 2018

RE: Testimony in Support of HB 2626

Good Afternoon Mr. Chairman, and thank you for allowing the League of Kansas Municipalities to testify in support of HB 2626. The bill would provide for an exemption in the tax lid, so that one entity can be dissolved and have all its powers, responsibilities, duties, and liabilities transferred to a City or County.

The imposition of tax lid made it impossible for a smaller unit of government to be dissolved into a City or County. This bill is about less government, as this bill provides an avenue for an entity to be dissolved in to a city or county resulting in a smaller number of governmental entities. The passage of HB 2626 over time should result in less expense to taxpayers as administrative expenses will be reduced overtime.

The League is aware of at least two instances where this bill would make it possible for one unit of government to be dissolved into a city. These dissolutions would not occur without the passage of HB 2626, since both boards levy property taxes, and the city cannot absorb the duties and responsibilities without taking on some of the taxing authority of the dissolved board.

The passage of this bill would be good news for taxpayers since the overall level of property tax should remain the same at first, and potentially overtime the levies will be reduced.

On behalf of the cities of Kansas, we thank you for the opportunity to appear before the committee today. We look forward to working with you to address this shortcoming of the tax lid.