



Date: March 14, 2017
To: Senate Committee on Assessment & Taxation
From: Meryl Dye, Assistant City Manager
Re: Senate Bill 167
Letter in Support

Dear Committee Members:

SB 167 offers a full repeal of the current statutory tax lid which prohibits cities and counties from increasing property taxes above the consumer price index (CPI) for all urban consumer without a public vote. We have consistently expressed our opposition to this state-imposed limit on the taxing and spending authority of cities. We believe the tax lid undermines the Home Rule principle by placing a limitation on locally elected officials to make these decisions. The tax lid clearly erodes our representative democracy by taking this authority away from local elected officials.

Further, basing a tax lid on the CPI for all urban consumers is not a realistic measure, and assumes that the basket of goods purchased by cities is the same as other consumers. Rather than buying food, housing, apparel, recreation, education, etc., cities are buying such goods as asphalt, road equipment, patrol vehicles, fire engines, and services such as employee health care, construction, and professional services. The increasing costs of some of these goods and services has a significant impact on the city's budget, such as commodities, utilities, or employee healthcare. Additionally, the current election provisions have a tight timeline, could be a major expense for cities, and likely would be unnecessary if a protest petition were required instead.

On behalf of the City of Hutchinson, I urge you to support the repeal of the current tax lid law.

Sincerely,

A handwritten signature in blue ink that reads "Meryl Dye". The signature is written in a cursive, flowing style.

Meryl Dye
Assistant City Manager

cc: Reno County Legislators