

CITY MANAGER'S OFFICE
Jason A. Gage
City Manager
300 West Ash · P.O. Box 736
Salina, Kansas 67402-0736



TELEPHONE · (785) 309-5700
FAX · (785) 309-5711
TDD · (785) 309-5747
E-MAIL · jason.gage@salina.org
WEBSITE · www.salina-ks.gov

To: Senate Assessment and Taxation Committee
From: Jason A. Gage, City Manager - City of Salina
Date: March 16, 2017
Re: SB 167 Written Testimony – IN SUPPORT

Request

Thank you for the opportunity to provide testimony regarding SB 167. As you know, the bill would repeal K.S.A 79-2925c ("tax lid"). The City of Salina is very appreciative of your time to consider this written testimony and respectfully requests that you support the passage of SB 167.

Reasons for Our Support

We believe this bill is good for Salina and other Kansas communities for the following reasons.

- The current tax lid law is flawed, relying on data that is inaccurate and significantly inflated when applied through the filter of K.S.A. 79-2925b and the accompanying property tax computation sheet. We fundamentally do not believe in a law that is based on inaccurate information.
- The current tax lid law is arbitrarily targeted to local governments, eliminates financial discernment and disrespects the role of locally elected officials. It places all municipalities at the same baseline, regardless of prior financial condition or health of vital infrastructure.
- The current tax lid law is draconian in that it follows an arbitrary, consumer price index indicator. This indicator in no way correlates to service quality or outcomes and doesn't even take into consideration infrastructure cost trends.
- The current tax lid law will negatively affect cities' capacity to retain, grow and attract jobs by reducing the capacity of cities to adequately invest in vital quality of life components including: streets, utilities, parks, downtowns, neighborhoods and entertainment venues. Kansas doesn't have mountains, beaches or large rivers. As the service quality of cities decline, so will economic output. The current approach will not retain talent, may actually harm cities and will continue to spiral Kansas down in an economic competition with states such as Arkansas, Louisiana and Kentucky.
- SB 167 will once again let locally elected legislators govern their own communities.

- Quality communities compete across America to attract businesses. This requires a high quality of life and good infrastructure. If SB 167 is not approved, the quality of Kansas communities will either slowly erode away or become overly reliant on the sales tax. Over reliance on the sales tax has the potential to harm consumer spending and make Kansas less competitive for retail trade with our border states. SB 167 would once again allow a reasonable and diverse approach to taxation on a community by community basis as determined by locally elected officials.

Requested Action

The citizens in Kansas place faith in their locally elected governing bodies to make key tax decisions for their communities. This bill would do just that. As a result, we respectfully request that you support SB 167.

Thank you for considering our legislative request!