



Testimony

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Property Tax Lid Repeal SB 167

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The Unified Government of Wyandotte County/Kansas City supports SB 167 repealing the unworkable property tax lid. The tax lid doesn't work because it was not properly vetted as it was forced through as a floor amendment without hearings. The tax lid also violates the spirit of local control and small government. In the case of the Unified Government, it is unnecessary.

The Unified Government was consistently lowering property taxes until the Great Recession and a series of damaging actions by the Kansas Legislature. The current property tax rate is still much lower than before the Unified Government was created. In 1997 it was 97 mills. Under the 2017 Budget it is 80.6 mills. That's nearly 17% less than two decades ago. And the Mayor and Commission have pledged to approve an additional lowering of the tax rate for the 2018 budget, bringing the city tax rate to its lowest level in 50 years. The City-County make up less than half of the total tax bill.

But even with the Commission consistently lowering the tax rate, the Unified Government could still be forced to hold a mandatory election under the current provisions of the tax lid law. That's because the assessed value of Wyandotte County and Kansas City is on the rise. Older buildings and neighborhoods which had a low value are now becoming more valuable. This could create a situation where more property tax revenue is collected even though the actual tax rate for everyone is lower. It's ridiculous to mandate an election under those circumstances.

The fact is, the Kansas Legislature is the biggest reason property taxes at the local government level have increased. Decisions made by the Kansas Legislature have slashed hundreds of millions of dollars in promised local government funding and significantly eroded the Wyandotte County tax base.

If you add up the cost of all those broken promises and punitive actions, it totals more than \$18-million a year in lost revenue for the Unified Government. In Wyandotte County, one mill of property tax levy equals about \$1-million on tax revenue. That means had the Kansas Legislature not taken the actions it has taken over the past decade, the property tax mill levy in Wyandotte County and Kansas City could be lowered by 18-mills.