

To: House Local Government

From: Trey Cocking, Deputy Director

Date: February 18, 2019

RE: Testimony in Support of HB 2188

Good Morning Mr. Chairman, and thank you for allowing the League of Kansas Municipalities to testify in support of HB 2188. HB 2188 deals with the dissolution of the White Clay Watershed District in Atchison County and absorption of its duties by the City of Atchison. The bill also contains the contents of HB 2063 which passed the House earlier this year 102-14. The contents of HB 2063 were included to avoid what happened last year with the Pratt Airport Authority where the bill passed allowing the City of Pratt to absorb those duties, but the bill dealing with the tax lid did not pass because it became entangled in tax omnibus bill that failed on the last day of session.

The following is background on the tax lid language that is included in HB 2188. Last year, the League and Kansas Association of Counties engaged the opponents of the original bill HB 2626 to develop a compromise to allow smaller units of governments to dissolve into a city or county; the compromise language is reflected in this bill. In addition, the bill represents that compromise by adding the additional language, “so long as the levy increase does not exceed the levy of the dissolved taxing entity.”

The imposition of tax lid made it extremely difficult for a smaller unit of government to be dissolved into a city or county because there is not currently a mechanism to transfer the taxing authority of the smaller unit. Without being able to maintain the current funding levels, in most cases, it is not feasible for the larger unit of government to take on additional responsibilities. This bill is about less government, as this bill provides an avenue for an entity to be dissolved into a city or county resulting in a smaller number of governmental entities. The passage of this tax lid modification, over time, should result in less expense to taxpayers as administrative expenses will be reduced.

This dissolution would not happen without the passage of the entire bill 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 over time, the levies will be reduced due to increased efficiency.

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 unintended consequence of the tax lid and ask you to place HB 2188 on the consent calendar and advance to the full House for consideration.