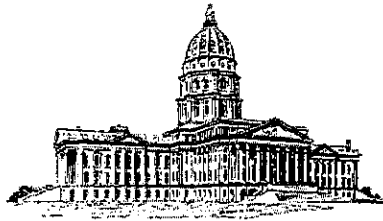


STATE OF KANSAS
HOUSE OF REPRESENTATIVES

STATE CAPITOL
TOPEKA, KANSAS 66612
(785) 296-7682
greg.lewis@house.ks.gov



910 NE 30TH AVE.
ST. JOHN, KANSAS 67576
(620) 458-3541

GREG LEWIS
113TH DISTRICT

January 30th, 2019

To: Chairman Johnson and the House Taxation Committee
From: Representative Greg Lewis
Re: Testimony in Support of HB 2063

Dear Chairman Johnson and Members of the Committee:

Thank you for the opportunity to testify in favor of HB 2063. This bill is the result of legal research about what potential options existed to govern all property within the Pratt city limits and what would be necessary to dissolve the Pratt Airport Authority, should the City of Pratt ever wish to do so in the future. This piece of legislation is a companion bill to HB 2628 which was passed last year and became law. HB 2628 granted the City of Pratt a remedy to dissolve the Pratt Airport Authority should they decide to do so in the future. However, HB 2063 is needed so that if the Authority was abolished, the current taxing authority of the Pratt Airport Authority, which is capped at four mils by KSA 27-322, could be transferred to the City of Pratt without requiring a vote under the tax lid.

We have worked closely with the Revisor, the League of Kansas Municipalities, and consulted with the Kansas Association of Counties to ensure that the bill being offered is uniform and would apply equally to all taxing entities and therefore not harm the underlying tax lid policy that the Legislature has established. Last year a bill was heard to fix this issue, after that bill was heard in the House, all parties who testified in favor or in opposition to the bill came together and were in agreement with the language in HB 2063. I request that this agreed upon language be the policy adopted by the Legislature. This language stipulates that any tax levy increase, which is caused by another taxing entity being dissolved and all powers, responsibilities, duties and liabilities of the entity being dissolved and transferred to the city or county, that its tax levy would be allowed to also be transferred without requiring a vote under the tax lid as long as the levy increase does not exceed the combined levy of the dissolved taxing entity and the receiving taxing entity. For example, if the City of Pratt's tax levy was 10 mils and the Airport Authority's was 2 mils the City of Pratt would be able to take on the airport and its responsibilities as well as their 2 mils moving the City of Pratt's levy to 12. They could also have a lower levy than 12, but could not exceed the combined total at time of dissolution of the entity which in this example is 12 mils.

Knowing there are many taxing entities in Kansas, and that the consolidation of units of government is encouraged, I believe this may be the first but certainly will not be the last time that this issue will be faced by a municipality. Clarifying tax policy to allow the consolidation of entities and the associated transfer of existing taxing authority, HB 2063 will encourage rather than discourage or prevent, the consolidation of taxing entities. This is a strong public policy improvement and will encourage the efficient use of taxpayer dollars.

Thank you for your consideration and support of the tax policy position articulated in HB 2063.