



House Taxation Committee
Neutral Testimony - Senate Bill (SB) 294
March 16, 2020
Ed Eilert, Chairman, Johnson County

Chairman Johnson and House Taxation Committee Members:

Thank you for the opportunity to provide testimony on SB 294. Johnson County staff and elected officials have reviewed the various elements of SB 294. While we fully support the goal of SB 294 of transparency for property owners, we have significant concerns with SB 294 its current form.

Here is a list of issues that need to be addressed:

1. The word "may" should be changed to "shall" for a consolidated statement mailed to taxpayers. Also, a date needs to be added by which time taxing entities must notify the county clerk whether they are exceeding the revenue neutral rate or not. (P. 2, line 36) Providing property owners one statement is beneficial in sharing the truth in taxation information in one document versus multiple. We recommend adding the state and schools taxing information to the statement to not cause confusion when actual tax statements arrive, and it is higher because state and school budget information was not included on the earlier notification. We are not suggesting the state and schools follow the guidelines, just adding their tax information to the statement.
2. Need to clarify how the counties assess the costs to other taxing entities to pay for the notification and mailing. (P.2, line 34)
3. When a governing body does not comply with the provisions, they shall refund to taxpayers any property taxes over-collected. It is critical that refunds are processed and not be credits.
4. Under current statute, K.S.A. 79-1801, the taxing entities must provide the ad valorem tax and budget to the county clerk by August 25. This statute was not repealed so it conflicts with September 20 in SB 294. (p. 4, line 2). The full budget package is required for Clerk review.
5. The cost of a notice to all Johnson County taxpayers will exceed \$115,000.00. This amount does not include programming costs to derive the new information and additional labor to process notices and respond to taxpayers' inquiries. An alternative could be to provide taxpayer direction to this information on the county website, with letters upon request.

The delivery of a revenue neutral rate provides the taxpayer with a false representation of the rate to be applied. The final budget approval process will be the determining factor in calculating the actual rate. Providing a revenue neutral rate in a notice creates confusion and less transparency to the taxpayer.

Johnson County provides transparency in every step of the budget process. Budget information, including meeting times and dates is provided at public meetings, on-line through the County website and using social media and print resources. These resources include social media streaming and posts during presentations, news releases, home page news stories, stories in JoCo magazine, promotions on social media and publication of public hearings in the newspaper.

The proposed budget shows every agency, department and Office budget in the County including the proposed amount property taxes to be levied. Budget hearings are open to the public.

All Johnson County taxpayers receive a tax bill comparison which displays the previous and current year tax authorities, mill rate, tax, amount of change and percentage of change.

The budget process is complex, and any changes must be reviewed in the whole timeline to provide clarity to the taxing entities and county clerks.

We appreciate the committee taking these suggested amendments under consideration.