



# City of Dodge City

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**Date:** March 16, 2020

**To:** Chairman Johnson and House Taxation Committee Members

**From:** Cherise Tieben, City Manager and Ernestor De La Rosa, Assistant City Manager/Legislative Affairs

**Re:** Written Testimony in Opposition of Senate Bill No. 294

Thank you, Chairman, Johnson and Committee members, for allowing me to submit testimony on Senate Bill 294. The City of Dodge City has a number of concerns with this bill and we are still opposed.

The following are the issues that still need to be resolved:

We need additional transparency in the bill.

1. The bill includes the calculation of the “revenue neutral rate” which adds in valuation from new growth (new construction, annexation, and expiring abatements) and then reduces the mill levy. We strongly believe that property taxpayers need to see a breakout between new growth and valuation increases in the truth-in-taxation statements. We believe additional transparency is critical.

2019		2020 Under SB 294	
Total City Property Taxes	\$1,000,000	Total City Property Taxes	\$1,000,000
Valuation	\$30,000,000	2019 Valuation	\$30,000,000
Home Valuation	\$100,000	New Growth	\$1,200,000
Mill Levy	33.30	Valuation Increase	\$1,200,000
Property Tax	\$382.95	2020 Valuation	\$32,400,000
		2019 Home Valuation	\$100,000
		4% Valuation Increase	\$104,000
		Revenue Neutral Rate	30.864
		Property Tax	\$354.94

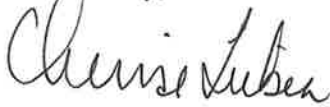
2. The truth-in-taxation statements need to include information on all taxing jurisdictions. It is imperative that that a taxpayer doesn’t get a statement showing taxes will go up \$30 to \$750 for their city taxes, and then get their tax bill in November and find their tax bill is \$3,500 and went up \$150 because of school district and state increases.
3. The bill still calls for a refund of tax payments if \$.01 is received over the amount of the “revenue neutral rate.” This section would result in cities having to deal with a messy

process where taxpayers receive checks for \$.17 that cost over \$1 to process and mail out. The bill needs to be amended to provide for the funds to be escrowed and returned as a credit on the next year's tax statement.

4. Cities need to be able to continue to set the property tax levy in terms of dollars and not mills. There is significant variation in mills between the June 15 preliminary valuation number and the certified valuation on October 1, and cities cannot predict that variation as properties work through the tax appeal process. Cities also need additional time to send the County Clerk notice.
5. The August 1st date has been the traditional target date, and should be the date information is due to the clerk under this bill.
6. There needs to be guard rails established for costs that the county clerk can bill back to taxing entities. In addition, if the county is having a truth-in-taxation hearing then the county should be liable for the costs, since every parcel owner will receive a statement.
7. The bill requires governing bodies to vote at the same meeting as the truth-in-taxation hearing. We believe that this is bad government and will not allow for time to research and review comments from the truth-in-taxation hearing. The bill needs to be amended to allow a governing body to set a future date at the truth-in-taxation hearing to adopt the tax levy.
8. The bill also needs to be modified to change the dates for the budget hearings. Currently, you would still have to follow the August deadlines for budget adoption and then have the truth-in-taxation hearing in September.

We urge you to leave local tax spending decisions to local elected officials who ultimately answer to our local voters. It is for all the reasons above that we strongly urge to oppose Senate Bill 294. Thank you for your time and consideration.

Sincerely,



Cherise Tieben  
City Manager



Ernestor De La Rosa  
Assistant City Manager/Legislative Affairs