



**Testimony of John Smith, Stanton County Commissioner  
Before the House Committee on Taxation  
In Opposition of Senate Bill No. 294  
March 16, 2020**

Member Counties

*Barber*

*Barton*

*Clark*

*Ellis*

*Finney*

*Ford*

*Gove*

*Grant*

*Gray*

*Hamilton*

*Harper*

*Haskell*

*Hodgeman*

*Kearny*

*Lane*

*Logan*

*Meade*

*Morton*

*Ness*

*Norton*

*Rawlins*

*Rice*

*Russell*

*Rush*

*Scott*

*Seward*

*Sherman*

*Stanton*

*Stevens*

*Thomas*

*Trego*

*Wallace*

*Wichita*

**WRITTEN TESTIMONY ONLY**

Chairperson Johnson and Members of the Committee:

Kansas Legislative Policy Group (KLPG) would like to thank you for the opportunity to provide testimony today on Senate Bill No. 294. KLPG is a non-partisan organization comprised of elected commissioners representing the collective interests of 33 rural Kansas counties.

Senate Bill No. 294 creates a certified tax rate for taxing entities in the state and establishes a notice and public hearing process for governing bodies. The bill was amended by the Senate Committee and we remain opposed to Senate Bill No. 294 in its current form.

The intent of this measure is to encourage governing bodies to think twice about increasing property tax rates. Our member commissioners already think long and hard about property values, tax rates and county operating budgets. We don't require state incentives and mandates to do what is best for our residents, although state law sometime restricts our ability to do so. As locally elected officials, we work diligently to address the needs of our community and provide needed public services, all the while monitoring our expenditures. We work hard to fund essential county services with the least financial impact to our residents and don't increase taxes frivolously or without good cause. We strive for lower taxes but we can't always get there. Our commissioners are business owners, land owners and property taxpayers as well. What we do as commissioners impacts our lives too. The current property tax lid has made that balancing act difficult to do.

We are all for fair and equitable tax policy within a transparent process that provides for the ease of administration. But like our operating expenses, property values are not static, market values change in a non-uniform pattern and we must be able to respond to those changes. We have well established procedures for appealing valuations, creating and adopting local government operating budgets and taxpayers are encouraged to participate in that process at every step.

It has been said Senate Bill No 294 is the “Utah Model”, Senate Bill No. 294 is not the Utah law. The driving force behind the adoption of this provision by the State of Utah in 1985 was a 5-year valuation cycle. The lack of annual valuations resulted in a very large and irregular, swings in property valuations. This in turn resulted in significant over- or underpayment of taxes for the impacted property owners. Kansas doesn’t have this problem. Properties are valued on a uniform and equal basis and adjusted to market value every year.

Senate Bill No 294 does not provide for the peaks and valleys that occur in valuation process, the bill should allow counties to receive an adjustment for growth or CPI to the property tax before triggering “Truth in Taxation” provisions. This will provide some modest growth for our counties, where they lack existing tools to address growth and inflationary pressures in their budget. Allow counties to meet growing demands on county services, which include: infrastructure, homeless resources, behavioral health and healthcare services, fire protection, law enforcement and jail services, elections, etc. Failure to allow for reasonable and planned increases in property taxes due to growth and inflation now will lead to larger hikes later.

The measure continues to place new duties and requirements on county clerks for other taxing districts. In our smaller counties, the clerk’s offices are small staffs adding this notice requirement will place a new burden on our employees during their busiest time of the year. Current computer systems do not allow for this calculation and preparation of this notice. Programming changes will need to be done in every county. Because the Clerk will be responsible for the notice and to protect themselves from potential liability, each notice will have to be checked by hand for accuracy before it is printed for distribution. That will take time. Keep in mind during this period each clerk has other duties like elections and preparation of their own county’s budget, in addition to customers seeking assistance on other matters.

Grant County, a county of 7,300 residents, has a three-person clerk’s office. Once the “revenue neutral rate” notices are printed it will take up to 10 days for the clerks to prepare the mailing for delivery. This is based on the time it takes the Treasurer to get tax statements distributed in December.

In my home county of Stanton, on the Kansas – Colorado border, we have a population of 2,400 and our county clerk and their deputy clerk are the only employs and they manage 29 different levies for 5 taxing districts. It will take them two weeks to prepare a mailing once the documents are finalized.

Other counties have far more resident and taxing districts then we do.

We concur that something needs to be done to reduce the property tax burden.

The property tax lid is the most challenging obstacle to reduced property taxes, repealing the lid is the best, most efficient way to have an impact on lowering taxes. However, the other challenges created by Senate Bill No. 294 need to be addressed.

Thank you for the opportunity to present testimony to the Committee. We ask that you consider impacts to our county offices in addition to adding growth and inflation adjustments to Senate Bill No. 294.

John Smith  
President  
Kansas Legislative Policy Group