



Neutral Testimony for Senate Bill 91
Ed Eilert, Chairman, Johnson County Board of County Commissioners
Senate Committee on Assessment and Taxation
Thursday, February 15, 2019

Dear Chairwoman Tyson and Assessment and Taxation Committee Members,

After reviewing, Senate Bill 91 regarding the Golden Years Homestead Property Tax Freeze Act, Johnson County is in favor of expanding the eligibility of the Homestead Act, but don't agree it is necessary to create a third program or add renters to the Homestead Act. Currently, the state has the Homestead Act and the Safe Senior (SAFESR) programs to provide property tax relief to seniors and those with disabilities.

Here is a comparison of the three plans: Homestead Act, Safe Senior and Golden Years Tax Freeze Act:

	HOMESTEAD ACT	SAFE SENIOR	GOLDEN YEARS TAX FREEZE ACT
	UP TO \$700 OF ADVALOREM REFUND	UP TO 75% OF ADVALOREM REFUND	FREEZE TAX AT BASE YEAR/NO SUNSET
TOTAL HOUSEHOLD INCOME	\$35,000.00	\$19,800.00	\$50,000.00
REGULAR SOCIAL SECURITY INCOME INCLUDED	50%	100%	
DISABILITY INCOME INCLUDED	NO	NO	
RESIDENT OF KS	ALL YEAR	ALL YEAR	ALL YEAR
OWNED AND OCCUPIED HOME IN KS	ALL YEAR (CAN BE RENTER)	ALL YEAR	ALL YEAR
RENTER	YES (15% OF ANNUAL RENT)	NO	NO
Only need to meet 1 of these requirements along with income			
BORN BEFORE	1/1/1963 (55)	1/1/1953 (65)	1/1/1953 (65)
TOTALLY AND PERMANENTLY DISABLED	ALL YEAR		
DEPENDENT CHILD LIVING WITH YOU UNDER 18	ALL YEAR		
DISABLED VETERAN OR SURVIVING SPOUSE	50% OR MORE		
DELINQUENT TAXES OK	YES	NO	YES - TO TREASURER
VALUE OF HOUSE NOT TO EXCEED	\$350,000	\$350,000	\$350,000

Census data shows the median number of persons in a household for ages over 65 is 1.8 people. 2019 Federal Poverty Levels for a 2 person household is:

50%	\$8,455
100%	\$16,910
150%	\$25,365
200%	\$33,820

Johnson County's suggestion would be to maintain the two current programs and increase the income level and rebates. Currently, the Homestead Act refund range is from \$700 for those who make under \$6,000 and up to \$35 if you make \$26,001 to \$35,000.

The federal poverty level at 200% for 2 people is \$33,820. So those claimants are only getting a \$35 rebate on property taxes.

Below is a proposed new plan tied to poverty level, so it changes annually. All other qualifiers for both programs would remain the same but Johnson County suggests the following expansion of eligibility for Homestead Act.

- 50% - Poverty Level and below for 2 people receive \$800 rebate (currently \$700)
- 51% - 100% Poverty Level for 2 people receive \$600 rebate (currently \$385)
- 101% - 150% Poverty Level for 2 people receive \$400 rebate (currently \$70)
- 151% - 200% Poverty Level for 2 people receive \$200 rebate (currently \$35)

Currently, SAFESR income limit is \$19,800 or less for a 75% property tax refund. Suggested new amounts for SAFESR:

- Those at 150% or below poverty level for 2 people receive a 75% refund.
- Those from 151% - 200% for 2 people receive a 50% refund.

If the bill were to move forward another concern is Section 15 that states the list of eligible claimants from the state will be delivered to the County Clerks by October 15. Currently, this report is delivered on October 1. The County Clerks must then verify and update where necessary, all information related to each claim as well as add new claims. In 2018, Johnson County processed around 400 claims. With the addition of renters to the program and the reduced processing time, additional staff would be required to complete the processing of claims by November 1.

Adding renters to any of the programs adds additional staff to the state and county at a high cost to verify the rents. Based on the additional costs, Johnson County would oppose adding renters to the Homestead Act.

Section 15 of Senate Bill 91 states that the list of eligible claimants from the state will be delivered to the Clerk by October 15. Currently, this report is delivered on October 1. The Clerk must then verify and update where necessary, all information related to each claim as well as add new claims that come in late. In 2018, Johnson County processed around 400

claims. With the addition of renters to the program and the reduced processing time, additional staff would be required to complete the processing of claims by November 1.

Again, Johnson County supports expansion of the eligibility to the Homestead Act and SAFESR that assists seniors and those with disabilities but prefers changes to current programs to allow more citizen to obtain refunds without increasing the cost of staff to state or counties to administer a new program.