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Date: February 3, 2020
To: Senate Committee on Assessment and Taxation
From: Daron Hall City Manager, Pittsburg
Re: SB 294 – Written Opponent Testimony

Thank you, Chairwoman and Committee, for allowing me to submit testimony on SB 294. The City is currently opposed to this legislation because it is a fundamentally flawed bill.

Last December, the Tax Foundation recommended that Kansas repeal the tax lid and adopt the Utah model of Truth-in-Taxation. However, SB 294 is not the Utah model. The Utah model allows for new growth to be captured, and unlike the recommendation from the Tax Foundation, the bill doesn't repeal the tax lid.

SB 294 has many flaws and the public hearing required as part of the Resolution is duplicative and would create discourse rather than provide needed public input. There are already requirements for cities to hold public hearings on the annual budget – which would include any proposed property tax increase. I believe the proposed bill would hamstring local officials who are elected to make tough decisions on behalf of the community – just as you and your colleagues do.

Below I list the other reasons that this bill should be tabled.

- It creates a complicated process where the Division of Administration is responsible for checking taxing entities' math on the certified mill levy.
- It caused steep tax increases in Utah because eventually the rising cost of services required a tax increase to pay for them. The process outlined in the bill was so negative that local officials avoided doing their job annually (to balance desired service levels with the appropriate tax policy) and had to catch up in one year with a huge, unfair tax increase.
- Only one taxing entity can have a TNT hearing at one time. There are 36 different taxing jurisdictions in Crawford County alone.
- There is no exemption for Law Enforcement, Fire, or EMS.
- There is no exemption for CPI increases.
- Senate Bill 294 does not remove the current tax lid, and the TNT process does not work with a tax lid election.
- The bill requires any excess tax revenue to be returned to taxpayers, so it's possible for the cost of the mailing to exceed the refund.

For these reasons, I ask that Committee not to pass SB 294 out of committee. Thank you for your consideration.