



February 3, 2020

Senate Committee on Assessment and Taxation  
Senator Caryn Tyson, Chairman

Dear Assessment and Taxation Members,

Butler County would like to express our opposition to SB 294. The County is in strong opposition to this bill as it contains serious flaws and, yet again, creates another major unfunded mandate to County governments across the State of Kansas.

In December of 2019 the Kansas Tax Foundation recommended Kansas should repeal the tax lid and adopt the Utah model of Truth-in-Taxation. SB 294 is not the Utah model and Utah does not have anywhere close to the number of taxing districts as Kansas, making this an apple to lemon comparison. One of the major flaws of the proposed Kansas bill is the inability to capture new growth, while the Utah model allows for new growth. Further, the proposed bill does not take into account the timelines necessary for counties to establish certified mill levies for each taxing district without repealing the current tax lid, which conflicts with the proposed bill.

In order to implement SB 294 substantial changes in staffing levels as well as software upgrades will be necessary to support the bill, creating another major unfunded mandate. County Clerks statewide will need to request additional staffing to comply with the proposed bill's requirements due to the increased demand on their offices as the proposed bill would require the Butler County Clerk to send out notices potentially to all property owners affected by the eighty-one (81) taxing entities alone in Butler County, who create 267 different taxing units. The complexity of this bill will require major software enhancements, with the potential for new software, costing upwards of \$100,000 to implement, plus annual support costs. Furthermore, the addition of staff just to support this bill could cost Butler County over \$150,000 annually, which is absolutely unacceptable. Together the impact could be over \$250,000 annually to Butler County. There is no question implementation of this bill will create an unnecessary burden on County governments, resulting in a major unfunded mandate from State Legislature.

While the cost to implement the bill should be reason enough to reject the bill, the flaws existing in SB 294 are numerous and significant. I am confident others will go into to greater detail on the existing flaws of this bill and as such I will simply highlight them:

- SB 294 does not follow the Utah model.

William H. Johnson, Jr., County Administrator





- SB 294 does not allow taxing entities to benefit from revenue created by new growth, such as new subdivision and housing starts.
- SB 294 requires each taxing subdivision to calculate its own mill levy by July 1<sup>st</sup> to determine its assessed valuation. Taxing entities in Kansas do not certify their mill levies, County Clerks do, and the bill conflicts with current calendar deadlines.
- Tax rates in Kansas are not certified to the County Clerk's Office until October by the County Appraiser, which again creates conflicts with calendar deadlines established by SB 294. Due to appeals, the Assessed Valuation of a taxing district can shift substantially many times between July 1<sup>st</sup> and October.
- SB 294 does not remove the current tax lid, which creates conflicts with calendar dates.
- SB 294 does not allow for exemptions such as public safety which were negotiated into law as part of the recently approved tax lid, with which local governments are required to comply.

Butler County could go into greater detail with the conflicts and problems associated with SB 294, but in order to keep our testimony brief I will limit it to the flaws which have been presented. SB 294 is a poorly written bill with limited understanding to the workflows and requirements of local government, especially those of County operations. For these reasons I ask that you unanimously reject SB 294. I appreciate your consideration of our testimony and look forward to working with our Legislatures on future bills that enhance our great State and County.

Sincerely,

Will Johnson  
Butler County Administrator

CC: County Commission  
Butler County Legislative Delegation

William H. Johnson, Jr., County Administrator