



Date: February 3rd, 2020
To: Senate Committee on Assessment and Taxation
From: Barack Matite, Eudora City Manager
Re: Testimony in Opposition of Senate Bill 294

Honorable Chairwoman Caryn Tyson and Members of the Committee:

On behalf of the City of Eudora, thank you for allowing me to submit testimony on SB 294. The City is currently opposed to this legislation as it is fundamentally flawed.

Last December, the Tax Foundation recommended that Kansas repeal the tax lid and adopt the Utah model of Truth-in-Taxation (TNT). However, as proposed, 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. Furthermore, SB 294 is flawed for the following reasons:

- If it goes into effect, it will create a complicated process where the Division of Administration will be responsible for checking taxing entities' math on their certified mill levy. The increased burden on the Division of Administration will lead to more mandates or responsibilities for taxing jurisdictions. This by itself will be a challenge for cities but particularly, small cities such as Eudora where we struggle to recruit and retain qualified workers. We would not be able to afford to hire new staff to fulfill additional reporting responsibilities and/or mandates. This will also lead to more work for the one primary staff person who works on our budget.
- The number of taxing jurisdiction adds another layer of complications. Various taxing jurisdictions within a city or county will struggle to govern as only one taxing entity can have a hearing at one time.
- Unlike the tax lid, this bill does not have any exemptions for Public Safety or CPI increases. Cities would also not have the ability to account for new growth as this is also not exempt.
- Since the bill does not repeal the current tax lid, the Truth-in-Taxation process would not compute with the tax lid election requirement.
- In Utah, their TNT bill led to steep tax increases that were required to pay for basic city services such as public safety, street maintenance, snow removal, among others.¹ Our communities may face such a reality if this bill passes as proposed.

The reasons stated above is why the City of Eudora is opposed to Senate Bill 294. This bill will make it difficult for us to govern and provide the services members of our community need. I urge the Committee NOT to pass SB 294 out of committee. Thank you for your consideration.

¹ <https://www.sltrib.com/news/politics/2018/07/14/did-truth-taxation-law/>