



133 W 8th St
PO Box 112
Russell KS 67665-0112
Phone: (785) 483-6311
Fax: (785) 483-4397

Date: February 7, 2020
To: Senate Committee on Assessment and Taxation
From: Jon Quinday, City Manager
Re: SB 294 – Written Opponent Testimony

Dear Chairwoman and Committee Members,

The governing body of the City of Russell has been, and continues to be, mindful of property tax burdens by making good decisions for their city, including passing a budget that meets the community's needs and values. Each year the governing body must weigh competing costs and benefits when it adopts the budget it believes is in Russell's best interests even in the absence of the Local Ad Valorem Tax Reduction (LAVTR) and County City Revenue Sharing (CCRS) programs.

Even as costs to serve our community continues to rise - employee health care, road maintenance and replacement, and equipment, to name a few – we have been able to keep our property tax revenue flat the past several years. Our flat property tax revenue has allowed our mill requirement to decline slowly. Property tax within the city funds police, fire, public transportation, 911 services, public works, streets, building, planning, zoning, fire equipment, and our airport.

The City is currently opposed to SB 294 as it is a fundamentally flawed bill for the following reasons:

- Unlike the current tax lid, KSA 79-2925(c), SB 294 does not provide for new growth, does not account for increases in the Consumer Price Index, or provides an exemption for public safety expenses.
- The bill does not remove the current tax lid, and the process does not work with a tax lid election.
- The bill would require the county clerk to send a notice to every property taxpayer listing, among other things, exactly how much their property tax would increase. However, the exact amount of a tax increase would not be known until November when valuations are certified – the notices would only be estimates. The local entities would be required to repeat the calculation process and send refunds, if applicable, to the taxpayer, making it possible the cost of the mailing will exceed the refund.
- SB 294 would increase the cost to local units of government through additional administrative tasks and the cost of mailings.

Local property tax burdens can be lowered if the Legislature honors their previously made commitment to reducing city and county property taxes through the Local Ad Valorem Tax Reduction and County City Revenue Sharing programs.

For these reasons, I ask that SB 294 not be passed out of the committee. Thank you for your consideration.