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Date: February 5, 2020  
To: Senate Committee on Assessment and Taxation  
From: Christopher Weiner, City Manager for the City of Garnett, Kansas  
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 is flawed for the following reasons:

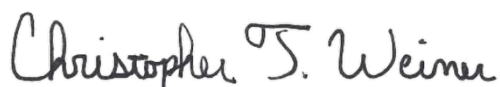
While SB 294 is not the Utah model, as it does not allow for increases in taxes levied due to new growth, even that – less restrictive - model has proven counter-productive for its citizens. Property taxes in Utah have been, in some cases, doubling due to years and years of keeping taxes levied from increasing. Local governmental costs, just like state governmental costs, are impacted by inflation. The cost of asphalt or road salt, police uniforms, and health insurance typically increase from year to year, regardless how much we try to keep costs down.

While SB 294 is designed to achieve transparency, its effect is counter productive and harmful to both the local governments that the people have chosen to represent them, as well as to the local populace themselves. This bill, if enacted, will cause costs for local governments to increase as a significant amount of administrative time shall be required to compute, record, and mail out to every property in the taxing district, detailed information on the proposed tax increase. All of this information is easily accessed through speaking to the local unit of government. This increase in cost will further increase the property taxes necessary to levy.

I agree that property taxes are generally too high. However, this bill will not help our local communities grow or prosper. We must strive for better policy than laws which will have significant negative side effects. The State also levies property taxes which will continue to grow in collections without any mailings to property owners notifying them of this increase in State taxes. In fact, from 2007 to 2019 the City of Garnett's mill levy decreased from 44.537 mills in 2007 to 43.544 in 2019. The State of Kansas on the other hand has had a static 1.5 mills from 2004 until today. The overall valuation of the Garnett community has increased since 2007 and as such, each mill levied raises more money. While the growth in the valuation of the Garnett community has resulted in additional revenues (approximately 2.5% annually), the majority of this growth has come from the construction of the East Kansas Agri Energy (EKAE) ethanol plant in our community. While EKAE is a tremendous community partner and we are extremely grateful to have them in our community, such growth often requires the local community allocate or prepare additional services. An additional challenge to this particular situation is that EKAE is, and has been, in a tax appeal dispute over their valuation. As such, the City of Garnett has been holding these additional tax revenues from EKAE in an escrow account in the event they are successful in their appeal. If SB 294 were to be law already, my understanding is that we would not be able to make such an escrow account without going through the expensive calculation and mailing process to increase taxes. The City could not afford not to however, as we would be forced to cut services to keep a reserve or be liable to pay back significant resources upon a successful appeal.

I understand the motivation and I support the effort to find reasonable, responsible ways to lower local property taxes. Senate Bill 294 however is neither reasonable nor responsible in accomplishing this goal.

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

A handwritten signature in black ink that reads "Christopher T. Weiner". The signature is written in a cursive, slightly slanted style.

Christopher T. Weiner, City Manager