



To: House Taxation Committee  
From: Sara Caylor, Mayor of Ottawa  
Date: January 26, 2021  
RE: Neutral Testimony on SB 13

Honorable Chair Smith and Committee Members-

Greetings from Ottawa! Thank you for allowing the City of Ottawa to offer neutral testimony on the SB13.

Let me begin this testimony with a personal admission: I do not like paying unnecessary taxes! I do, however, see value in having a properly staffed fire department available to react to a fire at my home, a well-trained police department rapidly responding to a safety concern, safe roads which are treated and cleaned after a snow storm making way for secure travel to my employment. These services do not exist without cost. These are costs that the City of Ottawa budgets for every year, costs that are paid for by property tax.

There are merits to SB 13:

1. The establishment of payment plans will be of great assistance to citizens that budget many of their expenditures on a monthly basis.
2. The combined statement that will be received by citizens denoting the tax that is proposed for the next fiscal year. The proposed statement that will describe the proposed budget of every taxing entity embodies transparency.
3. Parameters that were established detailing how costs of printing and postage are shared by the taxing entities proposing an increase for the next fiscal year.
4. The removal of the tax lid is welcome to the City of Ottawa. As the President of the League of Kansas Municipalities, I feel certain that the removal of the tax lid is welcomed by municipalities including those in your district. Senator Tyson, who is my Senator, is to be commended for elimination of the tax lid!

There are, however, concerns about the bill in its current form:

1. Growth is NOT considered in this bill. In Ottawa, nearly 50 new residences were built in 2020. These residences are a welcome additions to a housing shortage in our community. The addition of these residences, although welcome, did create additional needs for city resources. If SB13 would have been in place, we would have not been able to fiscally recognize the growth in our community.
2. SB 13 does NOT demand that all taxing subdivisions be transparent. The bill does require that all local taxing subdivisions' revenue neutral rates be calculated on this notice. This includes mills imposed by the State of Kansas but does NOT calculate the revenue neutral rate for the State of Kansas. Taxpayers should explicitly be notified of the additional property tax revenue being collected by the State of Kansas.
3. Dates to certify budgets have been modified in this bill. This is troublesome to cities as we currently begin our budgeting process in the spring of every year (nearly 8 months) prior to the start of the next fiscal year. Requiring a city to certify their budget earlier may lead us to underestimate revenues and overestimate expenses. Please consider a later budget certification date which will provide additional time to analyze monetary data creating a more accurate budget.

City of Ottawa

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Municipalities such as Ottawa recognize the positive nature of this bill. As the Mayor of Ottawa, I appreciate the good work from Senator Tyson on this bill. With a few amendments, this bill provides a unique opportunity for municipalities, counties, and the state legislature to work together in harmony. Considering the current tense political climate, we all have an opportunity to set the example of how to work hand-in-hand for all of Kansas' citizens.

Thank you for the opportunity provide testimony to you today. I invite you to visit Ottawa when you have a free moment in your busy schedule. I appreciate your work for citizens of Ottawa and all Kansans.

City of Ottawa

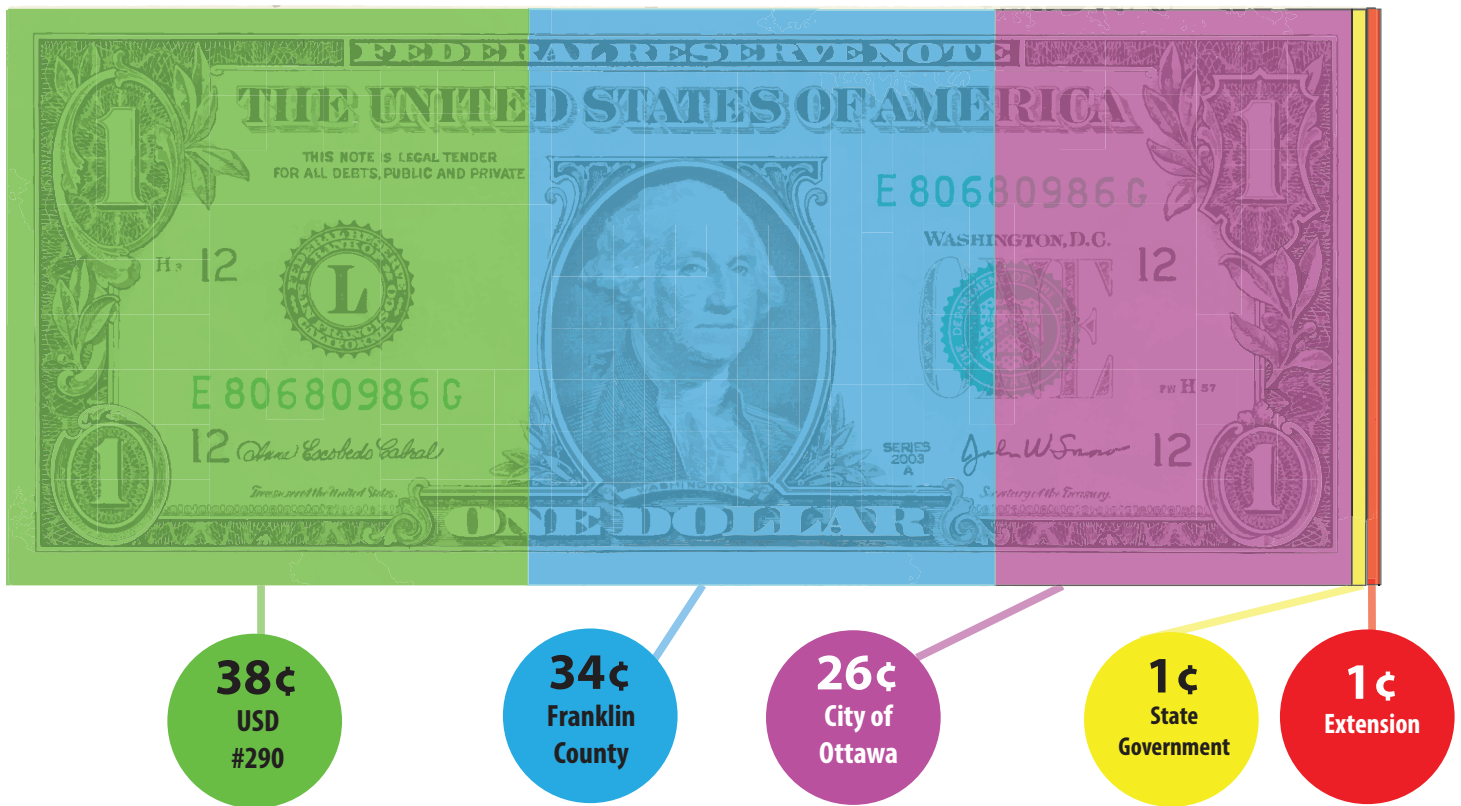
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# BREAKING DOWN THE PROPERTY TAX DOLLAR

From police officers who protect and serve to overseeing snow removal on roads and bridges, property taxes are a necessary investment for all Kansas communities. Here's a breakdown of how property taxes are distributed in Ottawa.



**Maintaining a Qualified Workforce:** Local government is a hands-on industry, requiring cities to deal with common concerns of retained qualified employees to serve as code enforcers, engineers, and laborers. Oftentimes, municipal employees earn less than their private sector counterparts. Cities may struggle in retaining needed and qualified employees.

**Filling Potholes and Fixing Roads:** In recent years, nearly 50% of the funding to maintain the local road system has been generated entirely from local governments' budgets. Even maintaining one mile of our local roads can cost about \$9,493.<sup>1</sup>

**Emergency Response:** New fire trucks can cost anywhere from \$500,000 to \$1.2 million, which in some communities would be most of the property tax revenue collected by the city. Alternatively, the cost of a new police car could range anywhere, on average, from \$30,000 to \$50,000 depending on the emergency response and communication technology that is incorporated within the vehicle.

Source:

<sup>1</sup> [www.ksdot.org/Assets/wwwksdotorg/pdf/QuickFacts.pdf](http://www.ksdot.org/Assets/wwwksdotorg/pdf/QuickFacts.pdf)