



**Testimony of Charles McKinney, Clark County Commissioner  
Before the House Committee on Taxation  
on Senate Bill No. 13  
January 26, 2021**

Member Counties

Barber

Barton

Clark

Ellis

Finney

Ford

Gove

Grant

Gray

Hamilton

Harper

Haskell

Hodgeman

Kearny

Lane

Logan

Meade

Morton

Ness

Norton

Rawlins

Rice

Russell

Rush

Scott

Seward

Sherman

Stanton

Stevens

Thomas

Trego

Wallace

Wichita

*NEUTRAL WRITTEN TESTIMONY ONLY*

Chairperson Smith and Members of the Committee:

Kansas Legislative Policy Group (KLPG) would like to thank you for the opportunity to provide testimony today on Senate Bill No. 13. KLPG is a non-partisan organization comprised of elected commissioners representing the collective interests of 33 rural Kansas counties.

Senate Bill No. 13 would create a revenue neutral tax rate for taxing entities in the state and establishes a notice and public hearing process for governing bodies, eliminate the property tax lid, allow county treasurers to establish payment plans for taxes, and prohibit increases in real property valuation related to normal repair, replacement or maintenance. The bill was amended by the Senate Assessment and Taxation Committee to limit reimbursable notification costs to postage and printing.

The intent of this measure is to encourage transparency in the budgeting process for governing bodies. Our member commissioners already think long and hard about property values, tax rates and county operating budgets. We strive to do what is best for our residents, although state law sometime restricts our ability to do so. As locally elected officials, we work diligently under the public eye to address the needs of our community and provide needed public services, all the while monitoring our expenditures. We work hard to fund essential county services with the least financial impact to our residents and don't increase taxes frivolously or without good cause. We make every effort to lower taxes but we can't always get there. Our commissioners are business owners, land owners and property taxpayers as well. What we do as commissioners impacts our lives too. The current property tax lid has made that balancing act difficult to do. We are pleased that Senate Bill No. 13 repeals the statutory tax lid.

We are all for fair and equitable tax policy within a transparent process that provides for the ease of administration. But like our operating expenses, property values are not static, market values change in a non-uniform pattern and we must be able to respond to those changes. We have well established procedures for appealing valuations, creating and adopting local government operating budgets and taxpayers are encouraged to participate in that process at every step.

The property tax lid is the most challenging obstacle to reduced property taxes, repealing the lid is the best, most efficient way to have an impact on lowering taxes. However, the other challenges created by Senate Bill No. 13 need to be addressed.

Senate Bill No. 13 sets out the timeline and processes governing bodies must follow to adopt a tax rate in excess of the calculated “revenue neutral rate”. This timeline starts retroactively from whenever the bill becomes law, providing little time for governing bodies to plan and modify existing procedures and software technologies. The measure places new duties and requirements on county clerks for other taxing districts which aren’t within a county clerk’s control. In our smaller counties, the clerk’s offices are small staffs adding this notice requirement will place a new burden on our employees during their busiest time of the year. Current computer systems do not allow for this calculation and preparation of this notice. Additionally, systems would have to be modified to allow for the collection of email addresses for electronic notices, if a taxpayer chooses that method of communication. The process of notifying the owner of each parcel by electronic means would be time consuming as well. Programming changes will need to be done in every county. Because the Clerk will be responsible for the content of the notice and to protect themselves from potential liability, each notice will have to be checked by hand for accuracy before it is printed for distribution. Keep in mind during this notification period each clerk has other duties like elections and preparation of their own county’s budget, in addition to customers seeking assistance on other matters. Moving the effective/implementation date would allow for required upgrades and operational changes to be made in advance in a uniform fashion.

A number of legitimate concerns have been raised by other governing bodies and should be adequately addressed before proceeding on Senate Bill No. 13. Unintended consequences or potential delays in administering a responsible government and providing taxpayers with tax transparency should be avoided.

It is concerning Senate Bill No. 13 does not provide for the peaks and valleys that occur in valuation process, the bill should allow counties to receive an adjustment for growth or CPI to the property tax before triggering “Truth in Taxation” provisions. This will provide some modest growth for our counties, where they lack existing tools to address growth and inflationary pressures in their budget. Allow counties to meet growing demands on county services, which include: infrastructure, homeless resources, behavioral health and healthcare services, fire protection, law enforcement and jail services, elections, etc. Failure to allow for reasonable and planned increases in property taxes due to growth and inflation now will lead to larger hikes later.

Section 2 of Senate Bill No. 13 prohibits increases to real property values due to normal repair, replacement or maintenance. Currently, county appraisers do not consider routine repair, replacement or maintenance when determining market values of property. We don’t believe this provision adversely affects or restricts a county appraiser’s ability to arrive at fair market value of property, therefor KLPG is neutral on this section.

KLPG supports Section 4 providing county treasurers the flexibility to accept partial payments for tax payments for both delinquent and non-delinquent taxes.

We concur something needs to be done to reduce the property tax burden. Transparency is only one element and a good start.

Thank you for the opportunity to present testimony to the Committee. We ask that you consider impacts to our county offices in addition to adding growth and inflation adjustments to Senate Bill No. 13.

Charles McKinney  
President  
Kansas Legislative Policy Group