

Date: March 16, 2017

To: Chairman Steven Johnson and House Taxation Committee

From: Mayor Todd Heitschmidt and the Marion City Council



Re: Written Testimony in support of HB 2376

HB2082 - AN ACT concerning property taxation; amending K.S.A. 2016 Supp. 25-432, 79-5a27, 79-1466, 79-1467, 79-1801 and 79-2925b and repealing the existing sections; also repealing K.S.A. 2016 Supp. 25-433a and 79-2925c., has been referred to your committee for recommendation and action. While this bill would serve to recreate the clear line of delineation for support of Constitutional "Home Rule" of municipalities, we believe support of the proposal to replace the election provision with a "Protest Petition" would be a statesman's solution to allow the flexibility for local governments to serve the needs of their citizens while allowing for direct intervention of opposition should the situation arise.

Current law (KSA 79-2925c) caps cities' and counties' ability to raise property tax revenue up to 1.4% in their 2018 budget plus limited exemptions without a vote by the public to exceed the statutory limit. With the impacts of Health Insurance rising costs and the unfunded mandate to convert all emergency communications for our city fire and police to the 800 MHz statewide system, we are being forced to increase the mill levy by 6 to 6.8 mills or 9.4% leaving nothing for all other expenses tied to inflation. We are resolved that this will force an election based on the law as it currently stands.

The current election provisions are incomplete. Other than stating an election can be held at the August primary, November general election, special election or by mail-in ballot election to be completed on or before September 15, there is little direction. This mandated election process will cost our small city an additional 1 mill or the total amount of the provided CPI amount of 1.4%.

The current election requirement is mandatory anytime the proposed budget amount exceeds the tax lid, which is defined as the five-year rolling average of the Consumer Price Index (CPI), regardless of the reasoning behind the increase. This one provision of the existing law consumes all allowable increases under the Tax Lid provisions.

We believe a protest petition driven election will be more effective in replacing the incomplete, mandatory election requirement with a structured process that is discretionary with the electors. The protest petition election would allow the city to have an opportunity to explain/educate its taxpayers regarding the need to increase the budget beyond the tax lid limits. The cost of holding an election, simply because the proposed budget exceeds the tax lid limit, is avoided. The protest petition election would not alter the tax lid law, only the election process.

We respectfully request your support for the "Protest Petition" proposal and Bill as a process in which effective stewardship of all citizens' assets and resources will be maintained.

Thank you for your selfless service to all the citizens of our great state.

Sincerely,

*Todd Heitschmidt*

Todd Heitschmidt, Mayor of Marion, Kansas