



City of Dodge City

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To: Chairman Steven Johnson and House Taxation Committee

From: Cherise Tieben, City Manager & Ernestor De La Rosa, Assistant City Manager/Legislative Affairs

Date: March 6, 2018

Subject: Written Testimony in Support of HB 2345

Honorable Chair and Committee Members:

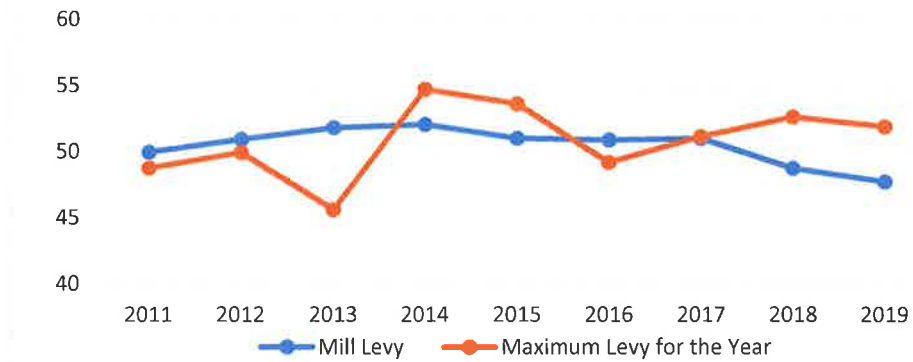
Thank you for considering my testimony on behalf of the City of Dodge City in support of HB 2345. This bill will would allow cities, that do not take the maximum increase allowed under the tax lid, to go back later to the highest tax levy previously allowed without a special election, as long as the increase occurs within seven years.

The City of Dodge City has been fortunate to lower property taxes due to economic development in the area and effective City administration. Over the past few years, our administration has worked diligently on the Dodge City Biogas Facility, which is a facility that converts the raw biogas generated at the Wastewater Treatment Plant from waste to a high-btu gas compatible with conventional natural gas. The clean biogas is being sold on the private market, which in turn provides a strong revenue stream to the City. As a result, the City administration has been able to fund infrastructure improvements projects and reduce property taxes, which alleviates property tax stress on our community.

We expect that the Biogas Facility will continue to generate biogas and subsequently revenue for the City; however, we are concerned that this source of revenue may go away and will force the City to suspend infrastructure projects and increase property tax to fund municipal services that otherwise would have been funded through this source of revenue. Although, we project that this can be a stable project and source of revenue, our City administration is planning responsibly and looking after the interests of our residents.

The graph below shows the current City's mill levy and maximum levy allowed under the proposed legislation amendment, if it was in effect today. Per the graph, the City would have been allowed to levy additional property tax in fiscal year 2018, 2019 and future years without the mandatory requirement of a special election, which is costly and has no guaranteed successful results. We believe this amendment is helpful to many municipalities and provides flexibility in case of other decreasing revenue sources.


Actual Mill Levy vs. Maximum



For these reasons, I ask that the Committee to pass HB 2345 which not only amends the tax lid legislation, but also provides cities and counties with more flexibility to work under the tax lid legislation. Thank you for your time and consideration.

Sincerely,


Cherise Tieben
City Manager


Ernestor De La Rosa
Assistant City Manager/Legislative Affairs