



TREASURER'S OFFICE

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To: House Committee on Taxation
From: Shilo Heger, Riley County Treasurer
RE: House Bill 2340

Dear Chairman Johnson and Committee:

I am writing you today to oppose House Bill 2340. This bill prevents county treasurers from distributing taxes that have been paid under protest until the appeal process has been finalized.

The delay in distributing these taxes would cause a disruption in cash flow to all taxing entities, including the state, county, cities, townships, schools, and other miscellaneous taxing jurisdictions. It is unknown how long the funds would be held as the processing of the payment under protest could be quite lengthy especially if it must be referred to the Board of Tax Appeals.

In most counties implementing this statute would be a manual process. Counties would have to continually track undistributed taxes which has the potential of mistakes being made. Automating this process would require programming changes of the various tax programs utilized by the county treasurers. Either option has cost implications.

The language in this bill is also unclear as to what portion of the taxes are to be withheld from distribution. Because of this ambiguous language it can cause inequities among counties on how the payments under protests are handled. For the reasons I have listed above we ask that you oppose this legislation. Thank you for your consideration.