



February 9, 2021

Testimony in Opposition to HB 2142
House Taxation

Chairman Smith and Members of the House Taxation Committee:

The Northeast Johnson County cities of Merriam, Mission, Prairie Village, and Westwood Hills express their strong opposition to HB 2142, which provides for the reimbursement of property taxes from county government for business shutdown or capacity limitation caused by the county.

We appreciate the opportunity to provide testimony in opposition to HB 2142, which would make already stressful situations at the local level even more difficult during such challenging times for taxpayers and local governments alike. We are opposed to this bill for several reasons outlined below.

First, the bill is entirely too vague, which could lead to several significant problems for local governments. For example, the bill does not specify COVID-19 as the reason for business closure or limitation, leaving counties liable for reimbursing property taxes in any instances where a business has to close (i.e., a failed sanitation inspection) and may open a path for fraudulent manipulation at taxpayer expense.

Secondly, the bill does not make an accounting of aid already received by local businesses such as PPP loans, SPARK/CARES funds, etc. While we acknowledge our local restaurants and retailers need enhanced support to weather the pandemic, requiring the county to reimburse property taxes to businesses who have received federal relief funds and grants does little to level the playing field in our communities and further complicates the recovery process. Equally significant is the fact that extended business closures equate to far less sales tax revenue for our cities. Property tax reimbursements would further devastate our local budgets.

Another major concern we have with the bill is its potential disastrous impact on our local businesses and restaurants that lease their buildings. Nothing in this legislation guarantees a property owner or landlord pass on the property tax reimbursement to the business owner. This incongruity seems contrary to the intent of the bill to help our local businesses recover from the pandemic.

This bill will help some landlords, but it will not help local communities as a whole. It is a punitive policy that seeks to penalize local governments for acting in the

best interest of the health of their citizens. Furthermore, cities, who rarely played a role in the decision-making process for shutting down businesses, should not bear the responsibility nor the burden for reimbursing taxes in this situation. This bill only increases the burden on residential taxpayers while taking away funding from local services that are especially crucial to the health and safety of our communities during a pandemic.

It is for these reasons we urge your strong opposition to HB 2142. Thank you for your attention and I welcome any questions you may have on this matter.

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