



Testimony

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Property Tax “Truth in Taxation” SB 294

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Senate Assessment and Tax Committee

The Unified Government of Wyandotte County/Kansas City opposes SB 294.

This piece of legislation is labeled the Utah model, but it is not. Drafters of the bill have cherry-picked the parts of the Utah law they like, but not included other parts which make the legislation workable. For example, the Utah legislation eliminates the property tax lid. This bill does not. It also does not follow the recommendation of the Tax Foundation, which is to adopt the Utah model and repeal the tax lid. The fact is, SB 294, layered on top of the tax lid is unworkable. The two measures conflict.

The Unified Government of Wyandotte County/Kansas City has reduced its mill levy 14% over the past three years. At the time of the Unified Government consolidation in 1997, the owner of a \$100,000 house paid \$1,116 in city/county property tax. More than 20 years later, an owner of a \$100,000 house will pay \$943 in Unified Government property tax. That’s 15% less in property taxes.

The UG Commission property tax rate reduction equates to an annual savings to taxpayers of \$6.3 million. The Unified Government Commission has been prudent and responsible in meeting the demands of citizens and balancing the taxes required to pay for those services.

All city/county services make-up only 44% of the tax bill in Wyandotte County. Public schools, the State of Kansas 21.5 mills and the Community College make-up 54% of the tax bill. When property values increase, as they are in KCK, the State reaps the benefit of a hidden tax increase by collecting more revenue. If the Legislature wants to be honest about taxes, SB 294 should require the State of Kansas to also meet the requirements of the bill by telling taxpayers how much more the State is collecting in a “hidden tax increase.”



The committee should reject SB 294 because it is not well thought out, unworkable and disingenuous in its claims to control property tax bills.