

Oral Testimony for Kansas HB 2002 (2023 Legislative Session)

Michael T. Kennedy, Resident of Douglas County, KS

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Good afternoon to all members of this House Committee on Taxation for the State of Kansas. I am thankful for the opportunity to speak with you today.

My name is Michael T. Kennedy, I am a resident of Douglas County, Kansas.

I am here to voice my opposition to HB 2002, as it seeks to make permanent the mechanism within K.S.A. 79-2989 for the State to reimburse county clerks for notifications sent to taxpayers by county-based taxing subdivisions intending on exceeding the revenue neutral tax rate, as delineated in K.S.A 79-2988 (b) (2).

As a taxpayer I have experienced my residential property taxes within Douglas County increase over 30% since 2019. K.S.A. 79-2988, a “Truth in Taxation” law, is very important to me. It means to provide transparency and drive accountability by taxing subdivisions seeking to exceed the revenue neutral rate. This statute is giving taxpayers, such as myself, notification of potential property tax increases and requiring public hearings where our elected officials must face their patrons to justify their budgetary needs for exceeding the prior year’s levies. It is reinforcing the concept that government works for the people, not the opposite.

Recently, on December 5, 2022, my complaint against USD 348 (Baldwin City) for failure to comply with K.S.A. 79-2988 in passing a budget which exceeded the levies computed by revenue neutral tax rate was heard by the Kansas Board of Tax Appeals. On December 19, 2022, BOTA ruled in my favor, and as a result, USD 348 is required to refund hundreds of thousands of dollars wrongfully levied on taxpayers. Thus, the statute is having an impact on breaking down the “business as usual” approach many of these taxing subdivisions have used to bloat their budgets at the expense of taxpayers, year-after-year. Therefore, I find it troubling that in examining the Kansas Association of School Board’s 2023 State Resolutions, they will be lobbying this body to exempt school boards from the revenue neutral rate laws. I urge you to resist lowering the bar for accountability of school boards, who are often the single largest entity within the county, by mill rates applied, for our property taxes.

Which brings me to HB 2002 and my opposition to its modification of K.S.A. 79-2989. I believe by making the mechanism permanent for the State to reimburse county clerks for notifications to taxpayers under K.S.A. 79-2988, you are making counties and their taxing subdivisions less accountable to taxpayers when they aim to exceed the revenue neutral rate. To me, it’s clear that any taxing subdivision seeking to exceed their revenue neutral tax rate should have a financial stake in the required notification process - “skin in the game” if you will. HB 2002 does

the opposite – it weakens the concept of local accountability within K.S.A. 79-2988 when these local entities don't bear the cost to provide taxpayers notification. The State should not be providing a "free lunch" to counties and their taxing subdivisions seeking to exceed the revenue neutral rate, at the expense of taxpayers within counties which have exercised restraint in expanding their budgets.

On a personal level, this concept of financial "skin in the game" for your decisions is a code I live by, and it should be one local taxing subdivisions are required to as well. My family was one of modest means growing up in New Jersey. As the youngest of three children, I was the first in our family to ever attend a four-year university. My parents, recognizing the opportunity I had to attend a world-class learning institution, did everything in their means to get me there – accepting great financial risk to allow me to do what they could never have thought possible just a few years before. But besides me absolutely honoring my parents for what they were doing for me, I had financial "skin in the game" – student loans, a grant that required work-study all four years, and the expectation that I'd be working in the summer to save money for my daily expenses. Financial "skin in the game" made me more accountable to my personal decisions as I left home and became responsible for succeeding in my education. And even though my children are in a much better position to receive financial support from my wife and I today, it is something I require of them as they head off on their educational pursuits.

So, if anything, legislators must examine ways to strengthen provisions within K.S.A. 79-2988, to increase accountability and transparency. With respect to the cost of notifications to taxpayers incurred by the county clerks, perhaps it would be to pro-rate the cost to each taxing subdivision looking to exceed the revenue neutral rate, based on the number of mills they are seeking to collect. To me, this brings accountability for exceeding the revenue neutral rate right to the elected officials who are responsible for the decision – and that is the way it should be.

Thank you again for the opportunity to speak with you today. God Bless America, and God Bless the State of Kansas.