



Oral proponent testimony on

HB 2795

**Requiring notices required to exceed the revenue neutral rate to be sent on forms provided by the director of accounts and reports, granting taxing subdivisions the option to hold hearings on the same day and at the same location as other taxing subdivisions within a county and excluding the state mandated 20 mills levied by a school district from the revenue neutral rate**

By

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In

House Committee on Taxation

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Chair Smith and Members of the Committee,

Thank you for the opportunity to provide proponent testimony on HB 2795. Our testimony is based on our member-adopted 2024 State Resolutions on the current statutory requirements for school district revenue neutral rate hearings:

*Because school boards are legally required to publish their budget documents, property tax rates and budget hearing notices in local media, the legislature should exempt school districts from the “revenue neutral rate” hearing law which has caused needless confusion and discontent and will cause districts to incur future costs to mail notices to taxpayers. We support flexibility for school districts to avoid legal penalties if budget documents and hearing notices are not published in a timely manner or contain errors due to factors beyond the districts’ control.*

HB 2795 provides flexibility to school districts in two important ways. First, it would allow districts to publish the revenue neutral rate hearing notice on districts’ websites *or* in a local

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weekly or daily paper of general circulation, rather than mandating both in every district and every community.

Second, HB 2795 exempts the 20-mill statewide levy for schools from the revenue neutral rate notice and hearing process. This is an important change—it will reduce the cost of this process, particularly for the required mailing to taxpayers, because in any year that property valuations increase, the revenue neutral rate will always be exceeded as to the 20 mill levy. This generates needless notifications to taxpayers, because school boards cannot legally choose *not* to exceed the revenue neutral rate as to the 20-mill levy, as they are required by law to levy the full 20 mills. K.S.A. 72-5142.

Besides the expense created by the statute for the revenue neutral rate process for the 20-mill statewide levy, current law creates taxpayer confusion as to this levy. Providing the revenue neutral rate notice as to the 20-mill levy creates the misimpression with local taxpayers that school boards can make changes to that part of the local levy. Because boards cannot change that levy, by law, it places both school boards and taxpayers at a disadvantage in discussing local tax policy, because of this confusing requirement. Exempting the 20-mill required levy from the process will increase taxpayer understanding of those things that local boards have discretion over in the budgeting process.

KASB encourages the committee to pass out HB 2795 favorably. We appreciate the opportunity to share our support of this bill.

Thank you.

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