



CITY MANAGER

Date: March 4, 2025
To: Chairman Tyson & the Senate Assessment and Taxation Committee
From: Kiel Mangus, City Manager, City of Derby
Re: Written Testimony in Opposition to SB 280

Thank you for allowing the City of Derby to submit testimony in opposition to SB 280. SB 280 compromises our ability to maintain local control and ensure we are receptive to the needs and demands of our growing community. We believe strongly that the residents of Derby should help determine the price of government and SB 280 only further complicates and hinders that dialogue.

The City of Derby works diligently to exercise fiscal responsibility and meet the needs of its constituents. In each of the last 4 years, the Derby elected officials have lowered the city's property tax mill levy to reduce property tax burdens on residents. The City also recently funded a property tax assistance program to help supplement state programs for vulnerable populations (low-income, seniors, disabled) when it comes to property taxes relief efforts.

Derby utilizes property taxes to pay for critical services such as firefighters, police officers, street maintenance, parks, and other pertinent local services. Cities should be left to make local decisions on how much fire protection or law enforcement are desired and needed in their community. Local elected officials are best positioned to understand the overall budget picture and make difficult decisions concerning critical services, capital projects, and infrastructure maintenance requirements. However, these decisions are not made in a vacuum. Derby works diligently to engage its residents in setting and understanding fiscal priorities. Derby has actively utilized local surveys to assist elected officials in making decisions. Based upon local surveys in Derby, residents have shown they greatly support parks and want more. The City has supported parks through increased maintenance efforts and sales tax initiatives passed by local voters. Those are local decisions that impact budgets and mill levies and should be left to locally elected officials to understand and determine that appropriate level.

SB 280 also raises numerous logistical issues to consider. The following are a few:

- SB 280 does not repeal the revenue neutral rate law already on the books by the State of Kansas. If a City is revenue neutral do they need to hold an election?
- The costs of elections are substantial. Is the State of Kansas going to carry the burden of those election costs, or are they going to push those costs onto cities and counties?
- This bill defines the calculation to use for rate of inflation but does not define a timeframe. Inflation can vary widely from year to year. The City of Derby would prefer some sort of multi-year average to smooth those swings, which would also benefit the taxpayer in that they would not see larger spikes when CPI makes large jumps.

- In the calculation of increased revenues there is no definition for capturing property that is significantly remodeled or renovated, changed use, annexed, or had a tax abatement expired. These are all areas of revenue that are not major changes in value due to appraisals and should be allowed to be calculated in the calculation figures for cities.
- Beyond the costs of an election, the timing impacts of this bill are in conflict with current state law. The City is required by State Statute to certify a budget to the County Clerk by August 25 of each year. The City is currently required to certify to the County Clerk the intent to exceed the revenue neutral rate by July 20 of each year. That would leave a little over 30 days to hold an election, which would be challenging to provide proper public notice and have an election in that time period.
- Within the City of Derby there are multiple property taxing jurisdictions. There is a library, a cemetery board, and a recreation commission. Are each of these entities required to hold a separate election, or are they held together? If together, are these costs split up evenly amongst each entity?

SB 280 greatly hampers the decision-making ability of local elected officials when it comes to making budgetary decisions for their community. Local elected officials are elected by their residents and are best suited to determine taxation levels that are appropriate for their community. Derby's officials have exercised this responsibility well and to benefit of its residents. We respectfully ask that you not advance SB 280 and thank you for the opportunity to submit testimony in opposition.