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To: Chairman Steven Johnson and House Taxation Committee

From: Jason A. Gage, City Manager - City of Salina

**Date:** March 16, 2017

Re: HB 2376 Written Testimony – IN SUPPORT

## Request

Thank you for the opportunity to provide testimony regarding this bill. As you know, the bill would amend K.S.A 79-2925c ("tax lid") by allowing for a "protest election" approach instead of the current election process. The City of Salina is very appreciative of your time to consider this written testimony and respectfully requests that you <u>support</u> the passage of the bill.

## **Reasons for Our Support**

We believe this bill is good for Salina and other Kansas communities for the following reasons.

- The current tax lid law is flawed, relying on data that is inaccurate and significantly inflated when applied through the filter of K.S.A. 79-2925b and the accompanying property tax computation sheet. We fundamentally do not believe in a law that is based on inaccurate information.
- The current tax lid law is arbitrarily targeted to local governments, eliminates the governance discernment and disrespects the role of locally elected officials.
- The current tax lid law is draconian in that it follows a single consumer price index indicator which in no way correlates to service quality or outcomes. Such trickle down economic approaches sound good in theory, but can quickly bankrupt a city, county or state without demonstrating positive economic results.
- The current tax lid law will negatively affect cities' capacity to retain, grow and attract jobs by reducing the capacity of cities to adequately invest in vital quality of life components, including: streets, utilities, parks, downtowns, neighborhoods and entertainment venues. Kansas doesn't have mountains, beaches or large rivers. As the service quality of cities decline, so will economic output. The current approach will not retain talent, will harm cities and will continue to spiral Kansas down in an economic competition with states such as Arkansas, Louisiana and Kentucky.
- This bill will at least provide common sense to a logistically flawed election approach that does not correlate with the statutory date for setting the property tax.

 The bill is also expected to reduce the number of unnecessary and expensive elections encouraged by the current tax lid law.

## **Requested Action**

While cities desire to always retain the right for their own governing bodies to make tax decisions for their communities, this bill would provide a common sense amendment with regard to the election process. As a result, we respectfully request that you support this bill.

Thank you for considering our legislative request!