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SB 542 – OPPOSED – WRITTEN ONLY – MICHAEL KOSS

Date: March 9, 2022
To: Chairwoman Tyson and the Senate Committee on Assessment and Taxation
From: City of Overland Park
Re: SB 542 – Written Opposition

Thank you for allowing the City of Overland Park (the “City”) to submit testimony on SB 542. The City supports transparency at all levels of government but opposes the legislation’s addition of new K.S.A. 79-2988(c)(2). This new section creates an unnecessary complaint process that gives uninterested parties the ability to prevent municipalities from properly funding essential government services.

New K.S.A. 79-2988(c)(2) would allow any taxpayer in the state of Kansas to challenge the City of Overland Park’s process for exceeding its revenue neutral rate. The City believes it is bad public policy to allow taxpayers who are not affected by a property tax levy the opportunity to challenge it. Such challenges are better left to those businesses and residents who bear the burden of the property tax levy and are recipients of the essential public services it pays for.

In addition, the legislation would send taxpayer challenges to the state board of tax appeals, which exists to consider property value assessment appeals and protests and has no expertise related municipal budget adoption procedures. The City believes an agency with expertise in this area, such as the Department of Administration, is much better suited to handle such procedural complaints.

The legislation also allows challenges to occur years after a budget is adopted. The City believes indefinite challenge periods are poor policy because, if the City has to pay a surprise refund from the distant past, it will have less funding for current public services. Municipalities and their residents should not have to live in a constant state of fear that one taxpayer could cause a financial crisis endangering current public services.

Finally, SB 542 is unnecessary because there are already adequate laws that allow residents and businesses to challenge deficient taxing procedures.¹

Thank you for allowing the City to submit testimony in opposition to new K.S.A. 79-2988(c)(2) within the SB 542.

¹ See *DeForest v. Herbert*, 204 Kan. 516 (1970), Syl. § 1 (individual taxpayer may use injunctive remedy to question right to levy or enforce tax because of some lack of valid legislative authority, or unlawful acts under valid statute, or because action under valid statute is clear abuse rather than bona fide exercise of power); *Pratt v. Board of Thomas County Com'rs*, 226 Kan. 333, 338 (1979) (taxpayers had standing to challenge validity of certificate of need in action brought pursuant to statute permitting injunctive relief to enjoin illegal levy of any tax, charge or assessment).