



**KANSAS**  
ASSOCIATION OF  
**COUNTIES**

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Senate Assessment and Taxation Committee  
March 9, 2022  
SB 542

Kansas Association of Counties  
Neutral Testimony

Chairwoman Tyson and members of the Committee:

The Kansas Association of Counties and its member counties would like to submit testimony on SB 542, which makes changes to the notice and hearing requirements of the local government budget process.

KAC and its member counties support transparency. Many counties will begin their county budget process in a few weeks. The process here in Shawnee County will start in April, for example. Public hearings for county departments often run through the spring into early summer. These hearings offer taxpayers opportunity to voice any concerns about costs, services or other budget issues not just on the entire budget, but on a department-by-department basis for programs or line items in specific departments.

KAC would like to see a few changes to improve this legislation.

**1) Change revenue neutral rate to revenue neutral amount**

KAC would ask for an amendment to change the revenue neutral rate to the revenue neutral amount. Under current law, the information presented to the taxpayer is based on the mill levy. For most taxpayers, the mill rate is not a useful piece of information. KAC would propose using the actual dollar amount to be raised by property taxes, as that dollar amount is more easily understood by taxpayers and gives a more meaningful comparison of tax dollars being collected from year to year. This change would also eliminate the potential for errors in mill rate calculations, either due to mathematical mistakes or due to valuation changes.

**2) Clarify that only taxpayers in the jurisdiction may file complaints with BOTa**

Section 2 (c)(2) says “Any taxpayer may file a complaint with the state board of tax appeals by filing a written complaint...” It is not clear here that the taxpayer must live within the taxing jurisdiction of the subdivision against which it is filing the complaint. This clarification should be added to ensure that individuals outside the taxing subdivision are not misusing this process.

**3) Allow BOTa to dismiss complaints that do not contain sufficient facts regarding what the dispute is**

There is no option for the board of tax appeals to dismiss a complaint if it does not contain sufficient facts to support an accusation that a taxing subdivision did not comply with this law. Instead, Section 2(c)(2) only requires “a written complaint, on a form prescribed by the board, that contains the facts that the

complaining party believes show that a governing body of a taxing subdivision did not comply with the provisions of subsection (b) and that a reduction or refund of taxes is appropriate.” While this language requires certain things, it does not state that BOTA can dismiss complaints that lack these items. The board of tax appeals should be empowered with the ability to dismiss deficient complaints, or at a minimum clarify deficient complaints prior to a hearing with the county. Further, taxpayers already have a remedy under law for taxes collected in violation of the law in K.S.A. 79-2005.

Section 2(c)(2) also says “no filing fee shall be charged by the executive director of the state board of tax appeals for a complaint filed pursuant to this paragraph.” An individual can make a complaint against a taxing jurisdiction with no fee and, according to Section 2(c)(2) “It shall be the duty of the governing body to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity of such levy.” This would require the governing body to expend tax dollars to defend against these allegations and produce the evidence in support of that, and, without changes as noted above, without protection from complaints without merit.

#### **4) Consider moving the implementation date to 2023**

2021 SB 13 made significant changes to the budget process, adding a number of provisions to the notice and hearing requirements. SB 542 contemplates additional changes after only one year, and it would make those changes immediately, as Section 4 states “this act shall take effect and be in force from and after its publication in the statute book” meaning any changes in this bill would need to be implemented by county staff, software providers and others in a process that will start very soon in many counties.

KAC respectfully asks the committee to consider these amendments to help simplify the information going to taxpayers, cut down on potential for errors, streamline the process before BOTA and ease the implementation of these new requirements to enhance efficiency.

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