

SB 196

Hearing in Senate Assessment and Taxation Committee

I am for SB #196 as proposed

Testimony by: Bill Riphahn Shawnee County Commissioner Dist. 1

I am a Republican who rarely agrees with anything brought forth by the other side of the aisle. However, my concern today is with the intended actions of some in my own party. We have been told that this hearing is for the purpose of discussing Bill #196 which supports Local Ad Valorem Tax Reduction fund payments to city and county governments for the specific purpose of property tax relief. Correct me if I am wrong, but the word around is that some intend to use SB #196 as a vehicle through which to repeal the Local Ad Valorem Tax Reduction statute.

One thing I have learned in my five years as a county commissioner is that we are often used as scapegoats by state legislators. When a constituent complains about property taxes, the common reply of the legislator is that those taxes are in the hands of county commissioners. What the legislators don't say is that it is a requirement of the State that counties provide and fund health departments, jails, sheriff departments, election offices, register of deeds, public works departments, county clerks, county treasurers, etc. The only sizeable department that we have that is not required by the State is Parks and Recreation and yet if we drop the ball in that realm, our kids are deprived and businesses will choose to locate in other counties and states. It is important that we make quality of life investments in our own counties.

Another thing the legislators don't explain is that the inflation that is wreaking havoc in the lives of the constituents also wreaks havoc in the budgets of local governments. As our County government must increase salaries in order to get and retain employees, and, as our County government scraps to pay the increased costs for fuel, building maintenance, and supplies of any sort, the State Legislators are telling our constituents that it is perfectly reasonable to believe that the county should be able to collect the same amount of tax revenue as it did in the previous year and such would cover all costs. In other words, any property tax increase that would come through the increase of one's home value should be offset through mill levy decreases put forth by the county government. The State does not remove any of its un-funded mandates. The State does not follow the law and pay us the Ad Valorem Tax Reduction funds specifically purposed for property tax reduction. Instead, they put out a bill with another un-funded mandate for counties. The bill is unreasonably complicated and includes trip-wires that have served to provide local legislators the opportunity to lead and orchestrate a battle against the county. That is a topic for another day. The bottom line is, State legislators are playing a game with the truth, not by what is said, but by what is omitted from the conversation. I know many county commissioners from across the state of Kansas and there is a high level of frustration with the way our representatives, most of whom share in our party affiliation, seem to be working against us.

One well-kept secret that State legislators do not make their citizens aware of is that there is an existing State Statute that provides a Local Ad Valorem Tax Reduction fund, payable to county treasurers specifically for the reduction of property tax. It is the law. Historically, the State utilized the Local Ad Valorem Tax Reduction fund as part of working with local governments in order to ease the property tax burden of our population. In 2003, at a time when funding sources were being sought by the Kansas Government, the Local Ad Valorem Tax Reduction law was ignored through non-allocation. Evidently, State legislators liked the extra money, so, for over twenty years now, they have voted annually to ignore the law. Most recently, they got around that law by stating in a bill that "no moneys shall be transferred from the state general fund to the Local Ad Valorem Tax Reduction fund during state fiscal years 2022, 2023, and 2024." With that easy addition of verbiage, they were relieved of any obligation to the law through 2024.

I don't know why the Local Ad Valorem Tax Relief statute has been sidelined for decades. Had that money been given to Shawnee County as required by the law, it most recently would have amounted to approximately \$3,000,000. With that, in Shawnee County, we could have lowered our tax levy by 2 mills. Better yet, were the State to fund the County and City Revenue Sharing Fund, we would have garnered an additional \$5,000,000. In total, the monies for property tax relief would have come to over \$8,000,000.....an amount that would have allowed a tax rate drop of 5 mills. Such would put us much closer to reaching the "revenue neutral" goal than anything the County could do on its own. In fact, I would move that SB #196 be amended to include both the Local Ad Valorem Tax Relief statute and the County and City Revenue Sharing Fund.

In closing, I would say that we, as county commissioners, diligently seek ways to provide tax relief for our constituents; the implication that the money would just be a "slush-fund" for us is a little bit of an insult to our character. If the potential "slush-fund" is a problem, write the bill in such a way that it can only be used for property tax relief. That seems simple. It has been said that sometimes here in the capitol, it becomes a matter of one party not wanting the other party to have what appears to be a win. I trust that content of character will not allow participation in such political gamesmanship at the expense of **DOING THE RIGHT THING FOR THE TAXPAYER.**