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To: House Committee on Taxation

From: Amber Farha, Finance Director - City of Concordia

Subject: Testimony in Support of HB 2345

Date: March 6, 2019

For many years, the City of Concordia has worked hard to keep spending under control during a time of stagnant revenues so that we could maintain a constant mill levy. For us, this mindset did not change with the incorporation of the tax lid on our budgeting process. The city has understood that it has the ability to increase its mill rate by a certain amount each year, but has foregone that in an effort to keep ad valorem tax as low as we can. The city made the conscious decision not to increase expenditures to the allowable amount only for the reason that we could do so without an election. This being said, despite our best efforts to remain where we are, there may come a time in the future where we have no choice but to increase expenditures. It may be at a rate higher than that allowable in that year by the tax lid calculation. The city is of the position that it would be a great opportunity if they were able to raise it as needed at that time to the maximum tax levy allowed in the previous seven-year span.

Although the City of Concordia is not one that has taken advantage of the ability to increase their mill levy without an election, we do believe that after the implementation of the tax lid, cities became concerned for their future taxing abilities. With this concern, they chose to increase their mill levy each year to avoid any issues in the future where they might need to increase and be unable. We believe some cities may have maintained their current mill levy had it not been for this fear of the tax lid.

Our city would like to advocate for the passing of HB 2345. We believe that this legislation will allow cities to feel more comfortable in the decision to lower or maintain the mill levy from year to year.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Amber Farha".

Amber Farha
Finance Director