

RESOLUTION FOR REPEAL OF TAX LID
REGIONAL ECONOMIC AREA PARTNERSHIP (REAP). REAP IS A REGIONAL ORGANIZATION WHOSE
MEMBERS REPRESENT 26 LOCAL GOVERNMENTS IN SOUTH CENTRAL KANSAS.
BE IT RESOLVED THAT REAP REQUESTS RECONSIDERATION OF HB 2109:

Whereas, the timelines in HB 2109 are unworkable since local governments begin the budget process early in the calendar year, no official numbers can be budgeted until a cities and counties receive valuation estimates from the county clerk on July 1st and approve budgets in August. Election officials need at least 60 days to prepare ballots and military/overseas ballots must go out 45 days before an election, pursuant to state law resulting in the need for a special election scheduled in September. The requirement for a special election will be costly and confusing.

Whereas, the structuring of a tax lid around the CPI for all urban consumers is not a realistic assessment since cities/counties do not purchase the same items urban consumers purchase. The CPI for all urban consumer gauges increases in food, apparel, rent, etc. Local governments purchase items such as asphalt, snow plows, police cars, personnel services and health care, which require a different metric. Rates of inflation for these items are much different than consumer goods. In addition, cities and counties would have to base their budget off of outdated measurements (Example: local governments would be required to use the 2015 CPI to calculate 2017 budgets).

Whereas, the citizens elect mayors, councilmembers, and commissioners to make decisions for their community, including passing a budget that meets the local needs. Removing the taxing authority from local officials erodes the representative democracy. Kansans support smaller government and believe the local government is best to make decisions for their communities. Local governments already must comply with the Truth in Taxation law which requires an extra vote if taxes exceed the previous year and Consumer Price Index.

Whereas, requiring citizens to vote creates an uncertainty for programs and businesses, which in turn can suppress growth. Many developers have expressed a concern that the property tax lid will negatively affect economic development because of the uncertainty of whether the infrastructure required to support new growth will be available.

Whereas, the bond counsels are advising cities/counties that their bond ratings will likely be downgraded if the state imposes a property tax lid. If a downgrade occurs, cities may have to spend more taxpayer money when incurring debt for large projects.

THEREFORE, BE IT RESOLVED THAT REAP supports the principle that:

Local governments are fully empowered to exercise fiscal restraint both in spending and revenue. Local governments meet throughout the year, are closest to the citizens that elected them, and are directly accountable to the communities they serve. A state imposed tax lid is bad public policy with unintended consequences to community development and job growth strategies.