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January 28, 2021

State of Kansas Governor's Council on Tax Reform  
RE: 2021 SB 13 - Testimony by Electronic Device - Neutral

Honorable Members of the Council:

Thank you for the opportunity to testify today on SB 13. My name is Rick Piepho. I am the Harvey County Clerk, but today, I am appearing in my official capacity as the chairman of the Legislative and Elections Committees of the Kansas County Clerks and Election Officials Association. Thank you for arranging the electronic means by which I am appearing today.

As County elected officials we deal with members of the public daily. With our partners in the courthouse, we collect taxes, run elections, enforce laws, house inmates, adjudicate disputes, care for the health of the public, assess and maintain property records, tag motor vehicles, and more, all while providing an extension of state functions as we interact daily with the public. Over the years more and more responsibility has been passed on to County Government and we always find a way to make things work. We are experts at doing more with less all while being flexible to the needs of the state and the public.

As County Clerks we try to take the long view of how legislation which changes how property taxes are assessed, levied, and collected will impact the citizens of the County. We follow legislative mandates and make sure they are administered in accordance with the intention of the legislature and the interpretation of the courts. Legislators make the policy, and we implement it. The KCCEOA proposes the following amendments to this legislation which we believe will be in the best interest of the county taxpayer:

1. Change the implementation date of this law. A retroactive implementation date is not acceptable to the workings of county government and is not a good use of taxpayer dollars. This bill should not go into effect until January 1, 2022 and we would suggest amendments to the bill to reflect that new effective date. Such a change to the bill will be required in at least four places in the text.
  - a. Rationale: All 105 counties in Kansas will need to go through a process of computer coding a revenue neutral rate statement for all jurisdictions in the county. Every county is different in how their programming is set up. Forcing our internal staffs and software providers to fast code these changes will be very expensive. We have surveyed 55 counties of varying size across the state and we have learned that the cost to just prepare and mail these new statements, for just those 55 counties is \$665,963.58. That is an average of \$12,108.43 per county, or \$1,271,385.02 statewide, annually to mail a notice to every taxpayer in the state one time during the year.
  - b. Expense of not doing so: When you add the programming costs which will be required by this bill the price tag to the taxpayer increases even more. Our partners in the software and

programming field are still working on the cost of fast coding that increase. But they have certainly told us that implementation of the new code over a more considerable time period will be cheaper.

- c. Implementation: A slower implementation arc will allow us time to test the revenue neutral tax rate software and will provide a foundation which promotes training, accuracy, and better service to our taxpayers. County Clerks will need to be fully prepared with the proper software and infrastructure to calculate the "revenue neutral rate" prior to the June 15 deadline for distributing the budget worksheets to each entity in the county. They will also need to have the capability to calculate, prepare and distribute a combined "estimated tax statement" to every taxpayer within an affected area 10 days prior to the first hearing date. Any entity that plans to raise their taxes levied would trigger a notice, even if the County chooses to adopt a budget that does not require a hearing or notice.
2. Add a beginning date for the hearings so that they are all held within a 3-4 week period.
    - a. Rationale: To ensure that all hearings can be included on one combined notice sent 10 days prior to the first scheduled hearing. Without a "no sooner than" date of August 10 for the hearing an entity could schedule their hearing to occur before we even receive notice from other entities, requiring a separate notice to be sent. They could also schedule the hearing for a date that does not allow enough time for the County Clerk to prepare and distribute the notice 10 days before the hearing.

This bill also drastically reduces the amount of time, from August 25 to September 20, for the County Clerk to calculate final mill levy rates and prepare the tax roll and tax statements prior to the November 1 deadline to pass this information to the County Treasurer. This bill increases the workload for every County Clerk, but especially affects the 101 of 105 Clerks who are also the Election Officer for their county during the same timeframe as conducting a Primary Election on the first Tuesday in August.

The members of our association agree with the tenets of the bill which provide accountability and transparency to the county taxpayer. All taxing entities are required to hold budget hearings and publish budgets for everyone to see and I believe they work hard to be open, accountable and transparent to the public. This bill is another attempt, through an additional mailer, at open government. We support open government. We are hopeful that our state partners realize that there is an additional monetary cost to the taxpayer for this additional openness. When it is all boiled down, this legislation has the county taxpayer footing the bill for an additional data point which may or may not encourage their participation in the process. If you believe that the county taxpayer is in favor of this change then we will implement it to the best of our ability.

There may be other amendments requested to alter the timing components of this bill, but we are hopeful that we will be allowed to answer questions about how those changes will impact the County Clerk's office. We run elections in this state and there is a delicate balance between the timing of general government budgets and election administration when dates are shifted. All of October and most of November are dedicated to elections with a growing difficulty of election administration. We do appreciate the section of the bill which repeals the "tax lid" which was implemented a few years ago.

Thank you for your attention today and I will be happy to stand for questions at the appropriate time.

Sincerely,



Rick Piepho  
Harvey County Clerk & Election Officer – KCCEOA Legislative and Elections Committee Chair