

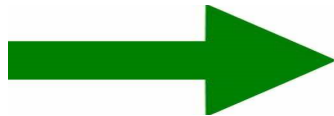
# ACTION BASED INITIATIVE PROPERTY TAX REDUCTION



Property tax reduction is a must. I have continually brought forward real solutions to addressing the issue: sponsoring budget resolutions that decrease the mill levy; voting to stay revenue neutral; creating a city rebate program for seniors and veterans; sponsoring property tax resolutions; and advocating at the state level for property valuation changes - and more.

One mill in Topeka equals \$1.4 million. There are eight property taxing entities in Topeka, including the state of Kansas. Multiple steps are needed to address the issue to bring real property tax reform.

If you break down each \$1 the city spends, this is where that dollar goes:



Utilities	.31
Public Works	.20
City Operations	.19
Police	.15
Fire	.12
Planning/Development	.03



## AS MAYOR, I WILL BRING FORWARD REAL SOLUTIONS

### STATE LEVEL ADVOCACY

As the Capital City, our Legislative Agenda must lead in bringing reform at the state level to the property tax system:

**Equal Accountability:** Any property tax policy the state passes that applies to municipalities should apply to the state.

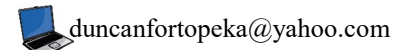
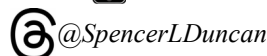
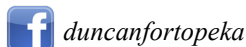
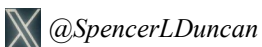
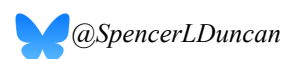
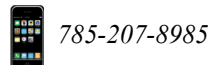
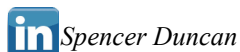
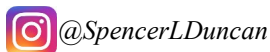
**Revenue Neutral Rate (RNR):** Property taxing entities are required to hold RNR hearings and vote on if they will exceed the RNR. This law does not apply to the state, which has two mill rates: 20 mills to the general fund, primarily for education, and a 1.5 mill levy rate for facilities. The Legislature exempted itself from holding an RNR vote. The State captures valuation increases without the same standard of accountability as cities. The Legislature should vote on the RNR.

**Change to the Valuation System:** The state needs to reformulate the residential and commercial valuation system by adopting a rolling average system or a valuation cap.

The rolling average system is used in agriculture valuations. This system would be based on average values over a set period, ensuring valuations stay at market rates while stopping large increases. Several states have a valuation cap, and Kansas has several options under consideration.

**Extending Appeal Time:** The period to appeal a property tax valuation should be increased to 60 days.

**Cut Statewide Mill Levy:** The state should consider a decrease in the 21.5 mills it collects from Kansas property owners or commit to staying revenue neutral on those levies.



# ACTION BASED INITIATIVE **PROPERTY TAX REDUCTION**



## COUNTY LEVEL ADVOCACY

**Tax Sales:** The city needs to work with Shawnee County to increase the number of tax sales. There are hundreds of eligible properties. If the city and county work together we can get these properties back on the tax rolls. The goal is to expand the tax base so more people pay a small share, instead of a few paying larger shares.

**Comparables:** The City needs to work with the Shawnee County Appraiser to examine the comparable system used as in the valuation process. There are examples of properties used that are not comparable, that then increases a valuation.

**Rebate Program:** The City of Topeka enacted my proposed City Rebate program for eligible older citizens and veterans. I encourage the County to consider a similar program.

## OTHER TAXING ENTITIES

**State Level Advocacy:** The changes needed at the state level need the support of all taxing entities in Topeka. I encourage them to adopt similar legislative platforms related to property tax reform as we work together to bring change.

**Rebate Program:** I encourage all property taxing entities in Topeka to consider a similar program to the one put in place by the City.

## CITY OF TOPEKA

**Steady Mill Levy:** I have not supported a budget that increases the mill levy, and each year have proposed a reduction. I continue to ask my colleagues and staff to work toward the same goal.

**Expand Rebate Program:** The Topeka Property Tax

Rebate Program I sponsored has helped homeowners. It applies to lower-income citizens 65 years and older. This year, I was able to add disabled veterans to the list of those eligible, and it now exempts 75% of social security income from the calculation.

### I propose the following expansion:

- ⇒ First time homebuyers, for the first 2 years.
- ⇒ 100% of Social Security income should be exempt from the income calculation.

**Budget Review:** Keeping taxes down is about keeping spending down. Costs are rising for cities, as public safety officers need raises and road projects cost more. But we have a responsibility to take a close look at the budget and find savings. I continue this review process and encourage citizens with suggestions to send them to me.

**Vacant Properties:** We must turn the vacant properties in Topeka, particularly commercial buildings, into functioning spaces. Getting these properties in good standing on the tax rolls will reduce the tax burden on everyone. This means using a variety of methods to get properties developed or into the hands of individuals who will develop them.

**PILOT Fees:** Payment in Lieu of Taxes are fees organizations who own property but are exempt from property taxes can pay, voluntarily, to support public safety services. Topeka, as a capital city, has many such property owners and they do not pay any PILOT fees. Working with them to pay reasonable fees into the system, to offset the loss of property tax levies, would reduce the burden on all taxpayers.



*Spencer*

