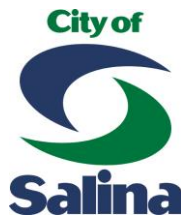


CITY MANAGER'S OFFICE
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To: Chairman Johnson and House Taxation Committee Members

From: Jacob Wood, Deputy City Manager

Date: March 10, 2020

Re: Written Only Testimony in Opposition to HB 2656 on behalf of the City of Salina.

Chairman Johnson and Committee Members, thank you for the opportunity to testify in opposition to HB 2656 on behalf of the City of Salina.

The change in the method of allocation of general purpose countywide sales tax as outlined in HB 2656 would have an enormous impact on the City of Salina. Saline County currently has a 1% countywide sales tax. Under the current method of allocation, the City of Salina typically receives a little more than half of the total dollar amount collected. Over the last 9 years that has equated to an average of \$7 million per year. The total amount received by the City over that timeframe was \$65 million.

The revenue received by the City from our portion of the countywide sales tax makes up 18% of our general fund. If this revenue went away the City would be faced the options of dramatically increasing property taxes, dramatically decreasing services or a combination of both. In order to make up the shortfall, the City would have to increase property taxes by 16 mills which is a 54% increase.

The revenue received from this source helps to fund our general fund operations. This includes the following departments: Police, Fire & EMS, Municipal Court, Public Works, Development Services, Parks & Recreation, Computer Technology, Finance & Administration, and Human Resources. The reduction in revenue that would result from the passage of HB2656 would result in a reduced level of service and would likely result on a reduction in force.

For the reasons outlined above, the City of Salina opposes the proposed changes outlined in HB 2656.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Wood", is written over a light blue horizontal line.

Jacob J. Wood
Deputy City Manager