



ABOVE AND BEYOND. BY DESIGN.

City Hall
8500 Santa Fe Drive
Overland Park, Kansas 66212
www.opkansas.org

Date: March 17, 2022
To: Chairman Smith and the House Committee on Taxation
From: City of Overland Park
Re: HB 2738 – Written Opponent Testimony

Thank you for allowing the City of Overland Park to submit testimony in opposition to HB 2738. The proposed legislation would be devastating to the City's financial position and limit the ability to provide public services and programs to our residents.

The City uses the countywide sales tax for general operations like public safety and public works, as well as supporting our capital infrastructure program. If HB 2738 became law, the City would lose approximately \$16,300,000 to support these programs. Of that amount, about \$1,400,000 is directed toward debt service. Clearly, HB 2738 would either seriously limit the City's ability to provide services to our residents and service ongoing debt obligation or require dramatic increases in other revenues (likely property taxes). In this case, a loss of revenue of that magnitude would equate to approximately 4 mills.

The current statutory framework is fair and has served the state, Johnson County, and the City well for many years. Approximately 31% of countywide sales occur in Overland Park, so there is strong basis for the current revenue sharing arrangement. HB 2738, and its requirement that revenue sharing only occur through interlocal agreements, unnecessarily disrupts a fair process and will likely introduce interlocal conflict in an area where none currently exists.

Thank you for allowing the City to testify in opposition to HB 2738. We respectfully request that the Committee not advance this legislation to the full Senate for approval.