

SOUTHWEST KANSAS COALITION

Testimony Before the House Committee on Taxation In Opposition of House Bill No. 2738 March 17, 2022

Chairperson Smith and Members of the Committee:

Thank you for the opportunity for the Southwest Kansas Coalition present our written testimony in opposition to House Bill No. 2738.

The Southwest Kansas Coalition collectively represents the cities of Dodge City, Garden City and Liberal and is commonly known as the Southwest Kansas Coalition (SKC). We are a group of communities united in our desire to secure a strong future for the southwest region of Kansas.

House Bill No. 2738 repeals sales tax authority for Atchison County and discontinues the statutory requirement for proceeds from countywide sales tax for general purposes to be shared between counties and cities beginning July 1, 2022.

The current process of sales tax distribution has worked well for years. Local government officials work cooperatively to provide for our communities. We have not been approached by our county partners to change the terms and find no purpose in legislation mandating us to do so.

Cities have responsibilities and obligations to their residents. Expenditures for city operations, services and debt financing have been established based on our limited revenue sources, one being an allocation of sales taxes. Altering this formula will cause financial harm to many communities. Cities will be forced to spend time and resources to negotiate agreements or bear the loss of valuable revenue. If an agreement can't be reached cities have few options and would be required to raise property taxes or cut the current level of services provided.

This measure will evoke unneeded tension between communities of interest and our taxpayers will suffer.

If a community chooses to pursue this type of proposal under current law they are able to negotiate with their community partners to secure such an arrangement by interlocal agreement.

The legislation is punitive to cities and there is no need for the legislature to act on the provisions House Bill No. 2738.

Thank you for the opportunity to present testimony to the Committee.

Nick Hernandez
City Manager



Matt Allen
City Manager



Calvin Burke,
Interim City Manager

