

March 16, 2022

Re: HB 2738 Testimony in Opposition

The City of Harper strongly opposes HB 2738. While our community does not currently have a county-wide sales tax, we do have a 1.5% local sales tax. One-half percent goes to relieve ad valorem tax, one-half percent goes to city infrastructure supported by ad valorem tax (pool, streets, library and recreation) and one-half percent goes specifically towards street improvements. For a community our size and the levy we have to impose to continue to offer quality services to attract people to live in our city we rely heavily on the sales tax. To be able to provide upkeep and maintenance to infrastructure by ad valorem alone the rate would be so high it would cause an exodus from our city.

Everyone in the county, including residents within the city limits, pay ad valorem tax to the county. However, county money and services go to everyone except those in the city limits. Excluding the administrative offices, the only shared services that the City of Harper receives is from dispatch and the sheriff's department. The City of Harper has its own police force, requiring very little support from the sheriff's department. There has been more than one occasion that the county commission has attempted to initiate a charge to cities for the use of dispatch services.

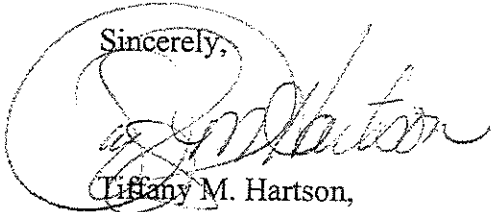
To put future funds in the hands of the county commissioners would be beyond detrimental to our community. They have proven to be acrimonious to cities, even in recent history. In 1977 there was formed a joint County/Cities Planning Commission. In 2015 the commission wanted to start charging cities for using their zoning administrator, when the city argued that our residents already paid for that service through county taxes they disbanded the joint commission which required the City to implement its own commission adding expenses for administration of the zoning regulations. Meanwhile, the county never reduced their levy to account for their cost savings. In 2019, the county commission pursued an existing, successful business within the Harper city limits to relocate at their "county industrial park" for an expansion project. Fortunately for us, our city staff was able to locate sufficient land area within the city limits to accommodate their needs for expansion and was able to keep them in the city. Earlier this year the county commission entered into a land incentive agreement that is pulling a business from within the city limits of the City of Harper out to their "county industrial park". This will gain the county, hospital and school districts additional valuation, but leave the city with a vacant building and without a viable business.

In 2015 the three local volunteer fire departments in Harper County worked hard to develop relationships with BP Wind Energy, LLC. Those efforts resulted in a donation of \$150,000.00

donation included in BP Wind Energy, LLC's annual PILOT payment, to be specifically dispersed to the three fire departments at \$50,000 each for 10 years. In 2021, when the county commission could not balance their budget for 2022 without increasing the mill levy they opted to take \$25,000 of the \$50,000 from each of the volunteer fire departments, without even telling them. This has had a major impact on the City of Harper since our volunteer fire department was working on financing a new fire engine with the money that was promised to them. Now our city residents are going to be forced to pick up the slack or our volunteer fire department will have to go without necessary fire equipment.

Rural America already has an uphill battle in the fight for growth and development. To risk a funding resource that is 90% generated within the city limits (state-wide) and give 100% control to a governing body that does not have jurisdiction nor required participation within city limits is inequitable. The local government most directly responsible for the jurisdiction that revenue is generated should maintain control of that revenue to best ensure the funds are used to invest back into the infrastructure and economic efforts that support the original revenue source. We respectfully request that HB 2738 be opposed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tiffany M. Hartson", is written over a circular stamp or seal that is partially obscured.

Tiffany M. Hartson,
City Administrator