



Date: March 9, 2023

To: Chairman Adam Smith and House Taxation Committee on Taxation Members

From: Kendal Francis, City Manager, Hutchinson, Kansas

Subject: Testimony in Opposition to SB248

Dear Chairman Smith:

I am writing in opposition to SB248.

SB248, as passed and amended by the Senate, eliminates local sales tax levies on groceries, food, and food ingredients. This change would have a severe negative impact on the City of Hutchinson, and I believe all cities in Reno County and throughout the state.

Legislative Research testified this would cost municipalities, at minimum, \$180 million statewide.

In 2022, Hutchinson "Food and beverage stores" reported \$1,068,525 in city sales tax. Also, we received approximately an additional \$495,000 levied from the county sales tax. Those dollar amounts do not include food sales through Walmart, general stores, or convenience stores.

Those sales tax funds are dedicated for special uses including street maintenance, capital equipment purchases, operation of the Hutchinson Sports Arena, economic development, and property tax reduction.

If the legislation is enacted as written, the City's only alternatives to offset the funding loss would be to either cut essential services or raise property taxes, both of which penalize our citizens.

Therefore, I respectfully urge you to oppose SB248 or amend it to so local sales tax levies on food, food ingredients and groceries are made whole again, as is current law.

Sincerely,



Kendal Francis  
City Manager