



March 9, 2020

To: Chairman Steven Johnson and House Taxation Committee Members

From: Courtney W. Christensen, City Administrator

Re: Testimony in Opposition to HB 2656

Dear Chairman Johnson and Committee Members,

Thank you for the opportunity to testify in opposition to HB 2656 on behalf of the City of Mission Hills.

The loss of the City's share of the Johnson County sales taxes would be devastating to Mission Hills and its' residents. Mission Hills received \$1,047,694.65 from the County's sales taxes in 2019. This was 13.4% of the total revenues of the City and 49.4% of all sales tax receipts. Mission Hills has not raised its ad valorem mill levy since 2005 but did drop the mill levy in 2006 and then maintained the mill levy while canceling the intangibles tax. The assessed valuation is just keeping pace with inflation according to the calculator on the Bureau of Labor Statistics website. The Sales tax revenue is what the City has used to hold the mill levy flat. The loss of the County sales tax would force the City to raise the mill levy as all services have been cut to the minimum level acceptable to Mission Hills residents to maintain the flat mill levy, ride out the 2008 recession and prepare for the predicted recession.

The County sales tax is used to pay debt service on two GO Bond sales for work on two arterial roads and the rebuild of the Mission Hills Sewer District #1 prior to it being given to Johnson County. In 2019, this debt service equaled \$424,991. In addition, the County sales tax is designated to support the City's road maintenance and capital improvement program. Road maintenance includes pothole and concrete patching to keep the city roads safe. The Capital Improvement program includes replacement of curbs and gutters including under curb drains to prolong the curb's life and stormwater system replacements to meet the 10 year storm event and to replace pipe systems that are original to the city. Most of the stormwater systems were built by JC Nichols between 1914 and 1935 and are underneath the roadway. A failure of the system will not only cause flooding in homes and roadways but will result in failure of the roads.

A loss of the County sales tax funds would force the City to do just the opposite of the goal of the current tax lid and SB 294 as there is no other financial source available to make up this loss except for the Ad Valorem Property Tax. Based on these facts, the City of Mission Hills requests you not pass out HB 2656.

Thank you for your consideration of this information and request and thank you for your service to the citizens of Kansas.



Courtney W. Christensen
City Administrator