

CITY OF HAYSVILLE, KANSAS

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March 10, 2020

House Taxation Committee

Hearing: Thursday, March 12, 2020, 3:30 p.m.

Room 112-N

Re: Testimony in opposition of HB 2656

To Chair Johnson and Members of the Committee:

The current distribution process for the countywide retailers' sales tax works well for cities and accounts for purchases made by residents of cities that may not have as extensive of shopping options in town as they have elsewhere in the county.

Although the proposed legislation allows counties and cities to enter into inter-local agreements for the distribution of the countywide sales tax, it does not guarantee counties will enter into those agreements. If counties do enter into such agreements with cities, there is no certainty that they will agree to distribute funds using the same formula currently detailed in K.S.A. 12-192.

The current distribution formula continues to work well to account for purchases made by residents of cities when they make those purchases outside of the cities they reside in. The uncertainty caused by the proposed legislation causes ongoing concerns as the countywide retailers' sales tax is a large revenue component of our general operating budget and capital improvement fund.

Thank you for the opportunity to present testimony regarding HB 2656.

Sincerely,

William Black

Chief Administrative Officer