



# The City of Lindsborg

*Little Sweden, U.S.A.*

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DATE: March 12, 2020  
TO: Chairwoman Caryn Tyson and Senate Assessment and Taxation  
Committee Members  
FROM: Gregory A. DuMars, City Administrator   
RE: Testimony in Opposition to SB 396

Dear Chairwoman Tyson and Committee Members,

Thank you for the opportunity to testify in opposition of SB 396 on behalf of the City of Lindsborg.

Lindsborg is located in McPherson County. The relationship between McPherson County and the City of Lindsborg is strong and cooperative. Both entities understand that we serve many of the same citizens. In fact, all of the cities in the county have a strong relationship with McPherson County. Jointly, we have an appreciation of the fact that for the cities within the county to be successful, then the county needs to be successful. And likewise, the county understands that for the county to be successful then the cities must be successful. Working cooperatively, we are all stronger... cities and the county.

The City of Lindsborg received \$509,416.59 from the McPherson County countywide sales tax in 2019. These revenues are used in the General Fund. The sales tax dollars received from McPherson County accounts for 18.6% of the total revenue in the General Fund. And 23% of the total countywide sales tax is generated in Lindsborg. So, a larger percentage of the total McPherson County sales tax is generated in Lindsborg than the City of Lindsborg receives.

As stated, Lindsborg received \$509,416.59 from the McPherson County local sales tax. This is an average amount that is received on an annual basis. The loss of this revenue would create a large hole in the City's General Fund. The equivalent property tax would need to increase by 19.624 mills to fill the hole. This would increase the current mill levy from 46.615 mills to 66.239 mills. The likelihood of a 42.1% mill levy increase would be minimal at best. The property tax increase on a median household would be \$352.05.

Lindsborg City Council would not fill the hole with a property tax increase but would instead cut services to the citizens of the community. The cut in services would impact the following areas in the General Fund: public safety, transportation and quality of life.

The impact on public safety would be eliminating a police officer position and the fire department would delay or eliminating equipment purchases. The street department would also look at eliminating a position, along with deferring street maintenance. Community quality of life would be impacted through cuts in parks and recreation. Another step that would be considered is a reduction in payroll by making city services available only four days a week. This reduction in service would save 80 payroll hours per week.

Successful cities and counties work collaboratively because they know that rowing in the same direction accentuates the success of each. One of those collaborative efforts is the reapportionment of countywide sales tax dollars. The majority of those county sales tax dollars are generated within the cities and those dollars are then shared for the benefit of the county and the cities within the county for the success of both.

Based upon this testimony, the City of Lindsborg requests you not pass out SB396.