



Joe Warren, Director of Administrative Services

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To: Senate Assessment and Taxation Committee

From: Joe Warren, Director of Administrative Services, City of Atchison

Date: February 11, 2021

Re: SB 87, Countywide Sales Tax Apportionment

Honorable Chairperson Tyson and fellow Committee Members,

The City of Atchison vehemently opposes SB 87. This bill is written specifically to override the will of taxpayers at the request of one influential campaign donor and should be dismissed out of hand.

Retroactively dedicating general use taxes is antithetical to the ideal of local voter action. It's condescending to local taxpayers and is another example of large government overreaching to tell local taxpayers they don't know what's good for them. Every supporter of this bill is expressing to local taxpayers that they are unable to govern themselves.

The second reason this legislation is unnecessary is because it was written as a statewide fix to a minor disagreement between two specific local units of government. Think about how ridiculous that sounds. Two small local governments – inconsequential to the rest of the state – can't reach an amicable compromise, so the state legislature works legislation to fundamentally change apportionments statewide. Gnat, meet elephant gun.

By supporting this bill, you would be opening Pandora's box and attempting to govern local municipalities directly from the Statehouse. If this is your intention, at least consider all the relevant facts. This legislation was written due to a disagreement between the City of Atchison and Atchison County over a 1% general use tax for solid waste and joint communications.

As is, Atchison County already receives more of the solid waste/joint communications tax than legally required. The county gets half directly apportioned using the current model, and another 22.7% flows through cities and back to the county through local agreements. This creates more than enough money to fund joint communications and solid waste at the county level. There have been no shortages to date.

In 2020, 78% of the countywide sales tax was generated within Atchison city limits. Given that more than 63% of county residents live within the City of Atchison, you could argue that the city should be getting a larger apportionment. Currently, the city keeps 43% of the money generated in the City of Atchison to help fund solid waste collections for Atchison County constituents – directly following voter intent. The county wants all tax revenues despite not



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actually showing a need for more funding. Atchison County wants a slush fund gained on the backs of city taxpayers without providing a corresponding benefit. Supporting this legislation guarantees this slush fund at the expense of local taxpayers.

In addition to the local apportionments distributed directly to the county, the City of Atchison gives the county an additional \$445,000 each year to help fund joint communications and solid waste. It's an annual payment that rises each year with the rate of inflation. Even so, there is no direct accounting link between this transfer of funds and actual usage of those funds to support solid waste and joint communications. The county can't even produce a paper trail that shows that money goes where it's intended. To give the county all the funds from this sales tax would be irresponsible. This is a government entity that has 18 significant deficiency findings (or worse) by auditors since 2015. Many of the deficiencies carried through year-over-year, indicating an unwillingness to abide by generally accepted responsible accounting practices.

This is a government entity that can't, with confidence, say they are being 100% responsible with taxpayer money. The audit findings won't allow it. If the state legislature cares about the local taxpayers in Atchison, they would be finding a way to give Atchison County less funds to inefficiently manage, not more. The solution is not to give this local government entity more unfettered money. To do so would be irresponsible.

Atchison County currently re-allocates millions of dollars taken from city taxpayers that city residents do not benefit from. It happens in the form of roads money, law enforcement money and now would continue with increased, unnecessary allotments of solid waste and joint communications money. This bill would exacerbate the issue. This bill is a big government solution to a local problem that makes government less efficient. Nancy Pelosi, Chuck Schumer and the lot would be proud of this bill. Any Republican that supports this bill would be abandoning the principles of local responsibility that the party stands for and embracing government overreach, which the party is not supposed to stand for.

There are 100 counties (and their respective cities) with general sales tax issues that have joint local agreements that will be blown up by this one legislative action. This bill is the state legislature playing big brother for local taxpayers, it is antithetical to the conservative ideals of self-governance and is unnecessary. There is already a mechanism for local taxpayers to self-apportion sales tax dollars if that is voter intent, and it's called a dedicated sales tax. If a county governing body wants to change the apportionment formula on a specific tax, there is nothing stopping them from taking it directly to the voters. On behalf of local taxpayers throughout the state – but especially in Atchison – let this bill die a natural death. It's the responsible action to take.

Michael Stec  
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February 11, 2021

Senator Caryn Tyson  
Chair – Senate Committee of Assessment and Taxation  
Room 548-S  
Topeka, KS 66612

Re: SB 87 Testimony

Dear Senator Tyson and Committee Members,

I am writing on behalf of myself, in opposition of this bill. I have been the Vice-Chairman of the Atchison County Solid Waste Committee since 2013, as appointed by the Atchison County Commission. I live in an unincorporated area of Atchison County; I also own a business on a separate parcel, that is in the same township as my home.

I was appointed by the City of Atchison in 2018, to be a member of the Joint Communications & Solid Waste Sales Tax Committee, which was formed to give guidance to the Atchison County Commission, the City of Atchison, and the other cities in the County; in an effort to find consensus for the equitable funding of Solid Waste Management and Emergency Joint Communications operations. The funding of those operations come in part from one cent countywide general use sales tax, which was approved by the citizens of Atchison County in 1993.

From what I am led to believe, this bill was inspired at least in part, by the recent discourse, the apportionment of the funds raised by this tax, has caused in my community. For a variety of reasons, I have had a front row seat at the funding discussions for these programs for many years. I have earned enough respect from both the County and the City of Atchison Commission's, to have had both bodies to appoint me to assist with this issue.

Like so many of you that I am testifying before today, I have had a variety of leadership roles in my community. One thing I have learned from being part of a team, is that no measure passes unless you build consensus. Every countywide general use tax this bill seeks to alter, will disrespect the many coalitions that brought communities together to fund important work for their citizens.

Please be mindful of the efforts of those citizens who formed consensus to get these taxes passed and respect their right to continue to manage them.

I haven't been able to determine the original intent of the apportionment formula, but it seems safe to assume that it is very much rooted in the urban and rural dynamics still in place today. In Atchison County, the City's maintain a supermajority, I would assume this is the norm for the majority of the State's 105 counties. Should you choose to drastically alter this formula you put in peril the delicate balance this law provides in its current form – by affording protections for both cities and counties.

Respectfully yours,

Michael Stec