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OPPOSITION TESTIMONY/WRITTEN ONLY

SENATE COMMITTEE ON ASSESSMENT AND TAXATION

SB 87

An Act concerning sales taxation; relating to countywide retailers' sales tax; discontinuing apportionment of revenue received for general purposes between the county and cities located therein.

**Whitney Damron
On behalf of the City of Topeka**

February 11, 2021

Madam Chair Tyson and Members of the Committee:

On behalf of the City, I respectfully submit these remarks in opposition of SB 87 that would discontinue city/county sales revenue-sharing agreements upon enactment of this legislation.

The City of Topeka understands this legislation emanates from a city/county dispute that is or was unable to settle its local disagreement locally. That is unfortunate for the citizens of that county but the inability of its elected officials to resolve local differences should not negate a policy that has worked well for the remainder of the state since 1978.

SB 87 would redirect all proceeds from a countywide sales tax to the county starting on July 1, 2021. In 2019, this bill would have resulted in **\$264.9 million** statewide being redistributed from cities to counties. In the City of Topeka, there would be a specific potential impact of \$65 million. Dollars spent within the boundaries of the City of Topeka generate over 90% of the entire sales tax in Shawnee County. It is baffling to the City of Topeka why funds generated almost entirely in the City of Topeka would now be subject to external control and not available for use within the City of Topeka for roads, infrastructure, police and fire services, and other services that the City provides for our citizens on a daily basis. Sales tax comprises over \$65 million in Topeka's overall budget, over 32% of the City's general fund revenues, and provides a steady revenue stream that is not related to property tax. Losing this funding would have a devastating impact on our operations and our ability to meet the needs of our citizens.

On behalf of the City of Topeka, we respectfully ask that you not support SB 87 and allow continuation of a process that has worked well for over 4 decades.

Thank you.

WBD