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Date: March 10, 2023
To: House Committee on Taxation
From: Donna K. Davis, Chief Financial Officer, City of Andover, KS
Re: SB 248 – Written Opponent Testimony

I want to thank the Chairman and Committee, for allowing me the opportunity to submit testimony on SB 248. Due to the adverse effects this legislation would have, the City of Andover is opposed to this legislation.

The City of Andover is in agreement with the State Legislature to reduce the state sales tax rate on groceries. The State Legislature was able to determine, prior to enactment, how this revenue reduction would impact the annual state budget. SB 248 as currently written does not give that same opportunity to cities and counties that have local sales tax.

The City of Andover currently has two separate one cent sales taxes levied, both of which were approved by an overwhelming majority of voters:

Street Sales Tax – approved by voters in 1991 without a Sunset date for the purpose of maintaining and building roads. This sales tax revenue has allowed the City to utilize “match” funding for projects with the Kansas Department of Transportation (KDOT) and Federal Highway. Currently, this one cent tax has been pledge as the City’s match portion for state and federal projects totaling approximately \$30 million over the next several years. This includes two BASE grants awarded by the Kansas Department of Commerce, a KDOT Cost Share Grant, and the largest portion, for the IKE project to expand US 400/54 into and ultimately through Andover.

Family Future Forward – an 8 year temporary sales tax approved in November 2021. These funds are to be used for several items:

- Building a second fire station on the south end of town to allow for better and faster service.
- A remodel of the current fire station that was built in 1994. This station also houses the county EMS crew.
- A total reconstruction of the 13th Street Sports Park with many added public amenities
- Construction of a City park at the new fire station location. This would be the first City park south of US 400/54.

The City of Andover has committed to the cost share matching funds and contracted for construction projects using sound fiscal responsibility knowing that voter approved funding was in place. Currently, based on a five year average, grocery sales tax accounts for ***a quarter of the City's sales tax revenue***. Now the State Legislature in SB 248, is forcing local governments to turn to the only other readily available funding source – property tax increases. If the City is forced to increase property tax due SB 248, in the spirit of openness and transparency, it will be made clear to the citizens why we were given no other option due to the State Legislatures actions.

For these reasons, on behalf of the City of Andover, I respectfully ask the Committee to **Vote No** on SB 248, or amend it so local sales tax levies on food, food ingredients and groceries are made whole again, as is current law. Thank you for your time and consideration