



CITY OF HUMBOLDT
OFFICE OF CITY ADMINISTRATION

725 Bridge, PO Box 228 · Humboldt, KS 66748-0228 · Ph: (620)473-3232 · Fax: (620)473-2133 · www.humboldtks.org

Date: March 10, 2023

To: Chairman Adam Smith and House Taxation Committee Members
From: Cole Herder, City Administrator, City of Humboldt
Re: SB 248 – Written Opponent Testimony

Thank you, Chairman and Committee, for allowing me to submit testimony on SB 248. **The City of Humboldt is opposed to this legislation** that eliminates local sales tax on healthy food.

As we understand, the original bill was intended to expedite and limit the state tax exemption to healthy foods. During the process, the local sales tax on food was negated. This infringes on the local government's ability to levy taxes, with no consideration of local government fiscal needs. Overall loss to general fund budgets is harmful to city governments, which use these tax revenues to fund essential services. Local government will be forced to reduce services or raise funds through increased property taxes or other methods.

Local sales tax levies are voter approved. This bill undermines voters of a community who voted on these levies and their purposes. In addition to general sales tax, the voters of Humboldt have overwhelmingly approved special sales tax for both street and swimming pool improvements. How can the State override a local election?

In 2022, we collected total sales tax of approximately \$462k. Based on my tax report from the KDOR, we received approximately \$52k from grocery sales. An increase of approximately 4.53 mills property tax increase to cover the loss. Additionally, we received approximately \$15k from restaurants and \$34k from convenience store food tax sales, annually.

We are not interested in alternative funding mechanisms when the existing system is in place and stable. Our concern is that alternate funding will have results similar to LAVTR.

For these reasons, the City of Humboldt asks the Committee to **not** pass SB 294, unless it is amended to allow local sales tax. I'm available anytime if you wish to discuss further.

Thank you for your consideration.

Sincerely,

Cole Herder, City Administrator