



March 10, 2023

To: Kansas House Taxation Committee

RE: Opposition to SB 248

Honorable Members of the Kansas House of Representatives Committee on Taxation:

We write to express opposition to Senate Bill 248, regarding the elimination of local sales tax levies on groceries, food, and food ingredients.

As you may know, your predecessors and colleagues passed a Home Rule statute in 1961. Home Rule was established by the will of the citizens because they decided that they primarily prefer their local governments, rather than the state, to make decisions for their communities.

Our local elected officials (in Newton's case, City Commissioners) were elected by the citizens of the community with the charge of making decisions that are specific to Newton. We pride ourselves on transparency and ethics in our daily business and the ordinances and regulations that we adopt. Local governments are the "most accessible" since any citizen can walk into the doors of City Hall or the County Courthouse or pick up the phone and call us and reach the official or staff member that they need to help with their problem, situation, or answer their questions.

SB 248 will strip local governments from the ability to regulate local sales tax rates and deprives us of a very valuable funding stream that supports many cities general fund and operations and helps keep ad valorem taxes lower by subsidizing revenues lost through tax exempt properties. In Newton this is especially important because more than 30 percent of property is exempt, including hospitals, schools, religious establishments, long term care homes, assisted living facilities, and nonprofits. Essentially this leaves about 60 percent of property owners supporting 100 percent of services provided by the city. Often these exempt properties are the highest users of these services, such as assisted living facilities utilizing Fire/EMS. Sales tax plays a significant role in offsetting the cost services provided by subsidizing general fund operations.

We also utilize sales tax to fund quality of life and economic improvements, such as parks, development related staff and services, programs, and incentives to solicit new business and industry, and assist with expansion of current business and industry in the community. The bill as proposed will significantly impact our ability to help relieve property tax rates.

We respectfully ask that SB 248 not move forward out of committee. As written, it has significant financial and policy consequences at the local government level. Additionally, the sales tax levy in Newton was voter-approved. The bill undermines the voters in our community who voted to approve these levies and their purposes. If the bill does move forward, we would ask your consideration of amendments that maintains local sales tax levies.

We would be happy to provide additional comments as needed or requested and thank you for your time in receiving our stance on this matter.

Sincerely,

Leroy Koehn, Mayor  
Kelly McElroy, City Manager

cc: Chris Towle, City Attorney  
Denise Duerksen, City Clerk  
Craig Dunlavy, Chief of Police  
Steve Roberson, Chief of Fire/EMS