



March 10, 2020

To: Chairwoman Caryn Tyson and Senate Assessment & Taxation Committee Members

From: Nathan Nogelmeier, City Administrator

Re: Testimony in Opposition to SB 396

Dear Chairwoman Tyson and Committee Members,

Thank you for the opportunity to testify in opposition to SB 396 on behalf of the City of Fairway.

The loss of the City's share of the Johnson County sales taxes would be nothing short of catastrophic to Fairway and its' residents. Our projections show we would lose approximately \$725,000 in sales tax revenue. This represents 15% of our General Fund revenue and would require draconian measures to keep the city solvent. The level of service our residents have come to expect would drop dramatically, resulting in a lower quality of life for our residents. In addition, we would be forced to make cuts in public safety expenses and reduce or even eliminate our Capital Improvement Program. We have not had a mil levy increase since 2015, which equated to 1 mil. This potential loss is equivalent 7 mils in Property taxes. With a current mil levy rate of 19.917, it would take an increase of approximately 35% to make up the sales tax loss. Most of our residents could not afford a property tax increase of this proportion.

A loss of the County sales tax funds would force the City to do just the opposite of the goal of the current tax lid and SB 294 as there is no other financial source available to make up this loss except for the Ad Valorem Property Tax. Based on these facts, the City of Fairway requests you not pass out SB 396.

Thank you for your consideration of this information and request and thank you for your service to the citizens of Kansas.