Testimony of Adam Smith, Wallace County Commissioner
Before the House Taxation Committee
In Opposition to House Bill No. 2435
May 20, 2015

Member Counties
Barber
Barton
Clark
Cloud
Ellis
Finney
Ford
Gove
Grant
Gray
Hamilton
Harper
Haskell
Hodgeman
Kearny
Kiowa
Lane
Logan
Meade
Morton
Ness
Norton
Rawlins
Rice
Russell
Scott
Seward
Sheridan
Sherman
Stanton
Stevens
Thomas
Trego
Wallace
Wichita

Chairman Kleeb and Members of the Committee:

Kansas Legislative Policy Group (KLPG) is providing written testimony in opposition to House Bill No. 2435, which is of great concern to our member counties. KLPG is a non-partisan, non-profit organization comprised of elected commissioners representing the collective interests of 35 rural Kansas counties. We appreciate the opportunity to submit remarks today.

This legislation would to repeal the longstanding exemption from sales tax granted to local governments and other entities. The tens of millions of state sales tax dollars, generated by local government purchases and projects, would be designated to fill the projected State revenue shortfall the next few fiscal years. KPLG members are opposed to such a shift in the burden to the local property tax levies of our communities.

Counties have no where to go to offset the additional funding needed to pay the state sales tax on projects other than local property taxes. This increased cost will delay or even halt the repair, maintenance and construction of county projects. This proposal is likely intended to curb unwanted spending by local governments, but what spending is unwanted? Our counties are already making hard choices at every meeting, as they determine the necessity of every dollar spent and every purchase made at the local level. Compounding that burden with imposition of sales tax will force local governments to unnecessarily postpone and defer needed infrastructure improvements and mandated facility upgrades.

I believe that pending projects not started, yet subject to existing contractual agreement, may be adversely impacted by this new sales tax load.

House Bill No. 2435 places additional and unneeded pressures on property taxes that don’t make economic sense in this time of property valuation uncertainty for our communities.

Thank you for your consideration and the opportunity to present written testimony to the Committee. I encourage you to oppose House Bill No. 2435.