

Approved Keith Roe
Date 2/1/90

MINUTES OF THE House COMMITTEE ON Taxation

The meeting was called to order by Representative Keith Roe at
Chairperson

9:00 a.m./~~p.m.~~ on January 31, 1990 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Tom Severn, Research Department
Chris Courtwright, Research Department
Don Hayward, Revisor's Office
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Mark Burghart, General Counsel, Department of Revenue
Ernie Mosher, League of Kansas Municipalities
John Torbert, Kansas Association of Counties
Linton Bartlett, City of Kansas City, Kansas
Gerry Ray, Johnson County Commission
Karen France, Kansas Association of Realtors
Bob Corkins, Kansas Chamber of Commerce and Industry

A motion was made by Representative Smith, seconded by Representative Lowther, to introduce Kansas Proposition 13 Constitutional Amendment as a bill. The motion carried.

Chairman Roe called the attention of the Committee to SB 341.

Mark Burghart, Department of Revenue, testified in support of SB 341. Mr. Burghart stated a request for three amendments to the bill (Attachment 1):

1. Amend the tax confidentiality statutes to allow the Department to use the services of a credit bureau to ascertain whether a particular taxpayer is an acceptable candidate for a payment plan;
2. Authorize the Department to enter into a tax exchange agreement with the Department of Human Resources to improve programs for detecting non-filers; and
3. Amend K.S.A. 75-5148 to clarify that the Department may pass along collection costs to delinquent taxpayers when the services of a collection agency are utilized.

A motion was made by Representative Aylward, seconded by Representative Shore, to amend SB 341 as requested by Mark Burghart. The motion carried.

A motion was made by Representative Vancrum, seconded by Representative Reardon to amend SB 341 before the period on line 24 by inserting "if with respect to collection of taxes due from a taxpayer residing or domiciled in this state a warrant has been issued therefor and has been outstanding for at least 90 days." The motion carried.

A motion was made by Representative Fuller, seconded by Representative Guldner to pass as amended SB 341. The motion carried.

The Chairman called the attention of the Committee to HB 2720.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation

room 519-S, Statehouse, at 9:00 a.m./~~p.m.~~ on January 31, 1990

Ernie Mosher, League of Kansas Municipalities, testified in support of HB 2720, and requested two amendments (Attachment 2):

1. Removal of the petition for a referendum on the levying of a 0.25 percent tax.
2. A technical change. On lines 13 and 14, on page 5, the phrase "shall be retained by the city or county imposing such tax and" should be stricken.

Gerry Ray, Johnson County Commission, testified in support of HB 2720, stating that this bill offers an opportunity for local governments to shift the tax burden from the property tax. (Attachment 3)

Linton Bartlett, City of Kansas City, Kansas, testified in support of HB 2720, stating that it would give local units authority to raise revenue from alternative sources; giving them the option to increase the sales tax by .25 percent for property tax reduction. (Attachment 4)

John Torbert, Kansas Association of Counties, testified in support of HB 2720, stating that it is a positive step in the right direction of helping to ease reliance on property taxes. (Attachment 5)

Karen France, Kansas Association of Realtors, testified in support of HB 2720, stating that local units should be given the authority for raising their sales tax without mention of the .25% or .50% limit provided in this bill, as long as the people are given an opportunity to vote on the issue. (Attachment 6)

Bob Corkins, Kansas Chamber of Commerce and Industry, testified that they support HB 2720 to the extent that the increased authorization is intended to relieve property taxes. Mr. Corkins is concerned that only a one-quarter cent increase authorized under this bill would reduce the current over-reliance on local property taxes; the other one-half cent authorized by HB 2720 could be used to fund anything the taxing district deems appropriate. (Attachment 7)

Chairman Roe concluded the hearing on HB 2720.

The minutes of January 30, 1990, were approved.

The meeting adjourned at 10:00 a.m.

HOUSE COMMITTEE ON TAXATION

DATE 4/31/90

NAME ADDRESS REPRESENTING

Bill Curtis	Topeka	Ks. Assoc. of School Bds.
ED DE SOIGNIE	TOPEKA	KANSAS CONTRACTORS Assoc
Robert C. Adams	Ottawa	Mich. State Bd of Tax
Bob Corkins	Topeka	KCCI
Robert Smith	Wichita	1993A
Bernie Koch	Wichita	Wichita Chamber
Cathy Holloman	Wichita	City of Wichita
DUO GRANT	TOPEKA	KCCI
Harold Pitts	Topeka	
Mike Reacht	Topeka	AT+T
Almeda Edwards	Ottawa	7th Co Farm Bureau
Don Snelman	Topeka, Ks	Self
Mary Ellen Conlee	Wichita Ks	Ks. Assoc for Small Business
Desir McBride	Topeka	Chamber
MIKE MCGRAW	Topeka	OM USA Inc.
ROSS MARTIN	TOPEKA	KS A.A. Bank Council
John D. Miller	Topeka	Revenue Dept.
Linda Pruitt	Lenexa	Lenexa Chamber of Commerce
Mary Birch	Overland Park	Chamber of Commerce
Bryan Patton	Topeka	Citizens For Better Govt.
Ken Baker	Topeka	< 1/4 Fulltime + USDB
Robert P. Rice	Topeka	Amoco
Ray Miller	Topeka	K-NEA

HOUSE COMMITTEE ON TAXATION

DATE 1/31/90

NAME ADDRESS REPRESENTING

NAME	ADDRESS	REPRESENTING
MIKE BEAM	TOPEKA	KS. LUSTK. ASSN.
ALAN STEPPAT	TOPEKA	KLP6 - McGill & Assoc.
Bill Fuller	Manhattan	Kansas Farm Bureau
Steve Stotts	TOPEKA	Revenue
Ed Stokols	TOPEKA	Leasing & Mfg.
John Tolbert	"	IKAC
Gerry Tracy	Olathe	Johnson Co. Commission
Bill Curtis	TOPEKA	Ks. Assoc. of School Bds.
James Dennis	Wichita	Wichita Area Chamber
Bernie Wood	Wichita	Wichita Area Chamber
Don Lett	Wichita	KANSAS ASSO. FOR SMALL BUSINESS
Francis R. Webb	TOPEKA	Wichita Area Chamber
James J. ...	Topeka	observer
Cathy Haldeman	Wichita	City of Wichita
Don Limosey	OSAWATOMIE	UTU
Paula Martucci	Topeka	Intern
Tom Boyer	Topeka	K-3A
Kerwin Kelly	OP	Sun
JERRY CLINGMAN	TOPEKA	SANTA FE RY



KANSAS DEPARTMENT OF REVENUE

Office of the Secretary
Robert B Docking State Office Building
915 SW Harrison St
Topeka Kansas 66612-1588

MEMORANDUM

To: The Honorable Keith Roe, Chairman
House Committee on Taxation

From: Mark A. Burghart, General Counsel
Kansas Department of Revenue

RE: Senate Bill No. 341

Date: January 16, 1990

Thank you for the opportunity to appear and express the Department of Revenue's strong support for S.B. 341. The bill would authorize the Department to contract with a debt collection agency to collect delinquent tax liabilities in cases where the taxpayer resides or is domiciled within Kansas. Current law restricts the use of collection agencies to out-of-state accounts.

The bill will allow the Department to fully utilize all available collection techniques to recover tax dollars which are due and owing the state of Kansas. Due to personnel limitations and the large number of delinquent accounts, some accounts are not being pursued in a timely fashion. The longer an account remains dormant, the more likely it is that a collection will not be made. The ability to use in-state collection agencies is one way of addressing this problem. Our experience with collection agencies on out-of-state accounts has been good and we are confident that the same favorable results would be obtained on in-state accounts.

Since the Senate Committee's consideration of the bill in 1989, the Department has discovered certain other areas where legislative changes are necessary to enable the Department to pursue delinquent accounts more efficiently. The Department would propose the following amendments to S.B. 341:

1. Amend the tax confidentiality statutes to allow the Department to use the services of a credit bureau to ascertain whether a particular taxpayer is an acceptable candidate for a payment plan;
2. Authorize the Department to enter into a tax exchange agreement with the Department of Human Resources to improve programs for detecting non-filers; and
3. Amend K.S.A. 75-5148 to clarify that the Department may pass along collection costs to delinquent taxpayers when the services of a collection agency are utilized.

I would be happy to respond to any questions you might have.

General Information (913) 296-3909
Office of the Secretary (913) 296-3041 • Legal Services Bureau (913) 296-2381
Audit Services Bureau (913) 296-7719 • Planning & Research Services Bureau (913) 296-3081
Administrative Services Bureau (913) 296-2331 • Personnel Services Bureau (913) 296-3077

1/31/90
Attachment 1



**League
of Kansas
Municipalities**

**Municipal
Legislative
Testimony**

An Instrumentality of Its Member Kansas Cities. 112 West Seventh Street, Topeka, Kansas 66603 Area 913-354-9565

To: House Committee on Taxation
Re: HB 2720--Local Sales Tax Option
From: E.A. Mosher, Executive Director
Date: February 2, 1990

On behalf of the League and its member cities, I appear in support of HB 2720. Attached to my testimony is a one-page fact sheet on local sales taxes in Kansas, and a League Research/Information Bulletin which provides more detailed information on the status of local sales taxes.

The substance of HB 2720 is to broaden the local sales tax discretion of cities and counties, in one of two ways: First, with the approval of the voters, the local tax could be levied up to the 1.5% level, compared to the present maximum of 1%. Secondly, cities and counties could levy a 0.25% tax, by governing body action subject to a petition for a referendum, provided the revenue is used solely for the reduction of property taxes.

At present, the minimum is a 0.5%, and the maximum is 1%, permitting an overlapping maximum of 2% (special provisions for Jackson and Wyandotte counties). If the bill is passed, there could be a minimum 0.25% tax by a city or a county, and a maximum of 1.75%, with an overlapping maximum of 3.5%. With the state sales tax of 4.25%, the over state-local maximum would be 7.75%, again with special provisions in Jackson and Wyandotte counties.

As previously noted, the general 0.5% increase would be subject to the approval of the voters, with no statutory restriction that the additional revenue must be used for property tax reduction. Instead, this is left to local determination. We call to your attention the provisions K.S.A. 12-197, which permits a city or county governing body to pledge the purposes for which sales taxes approved by the voters are to be used. One could suspect, in today's environment, that voter approval of such an increase is unlikely unless some or all the additional revenue is pledged for property tax relief. However, we believe this should be a local determination.

The 0.25% authorization could be used only for property tax reduction. Our convention-adopted Statement of Municipal Policy supports a quarter cent option by governing body action, without a mandatory referendum or a procedure for a petition for a referendum.

We do not know how many cities and counties would voluntarily use the options in HB 2720. While the 62 counties and 119 cities with a local sales tax have a net population of over 88% of the states' total population, there are 43 counties, and many cities, which have not exercised their existing local sales tax authority. We believe the number levying the tax will increase, as the pressure against property taxes tends to increase. And we believe there are

President: Irene B. French, Mayor, Merriam * Vice President: Frances J. Garcia, Mayor, Hutchinson * Directors: Ed Ellert, Mayor, Overland Park
* Harry Felker, Mayor, Topeka * Greg Ferris, Councilmember, Wichita * Idella Frickey, Mayor, Oberlin * William J. Goering, City
Clerk/Administrator, McPherson * Judith C. Hollinsworth, Mayor, Humbolt * Jesse Jackson, Mayor, Chanute * Stan Martin, City Attorney, Abilene
* Richard U. Nienstedt, City Manager, Concordia * Judy M. Sargent, City Manager, Russell * Joseph E. Steineger, Mayor, Kansas City * Bonnie
Talley, Mayor, Garden City * Executive Director: E.A. Mosher

1/31/90 attachment 2

local governing bodies which will levy the quarter cent option. However, we must also recognize that local sales taxes are simply not very productive in many smaller counties and cities.

I don't know of anyone who suggests that levying or increasing local sales tax is an ideal way to help finance local government. There probably aren't any ideal ways. But the reality is that the local sales tax is the principal alternative revenue source, appropriate to the largest number of Kansas counties and cities, given the widely varying local conditions we have in Kansas. We think this discretion should be expanded, and that HB 2720 should be passed.

We suggest two amendments. First, we would suggest that the petition for a referendum on the levying of a 0.25% tax be removed. This would require the removal of the first sentence beginning on page 5, and a change on line 8. Local governing bodies may levy property taxes vastly in excess of the revenue produced by a 0.25% sales tax. Why shouldn't they be able to do the same thing for a 0.25% sales tax?

The second amendment is a technical change. On lines 13 and 14, on page 5, the phrase "shall be retained by the city of county imposing such tax and" should be stricken. This would not change the intent that the revenue be used for tax relief. It would clarify that a city within a county levying a countywide tax would need to use the city's share of the countywide tax for property tax relief.

KANSAS LOCAL SALES TAX FACTS

1. There are 62 counties and 119 cities which have provided for a local sales tax in Kansas.
2. These 62 counties contain 70.5% of the state's population. The 119 cities contain 58.8% of the population of all cities.
3. In addition to these 119 cities, there are 330 other cities which receive revenue from a countywide sales tax. The total of 449 cities receiving local sales tax revenue represent 93.6% of the population of all cities.
4. Eliminating population duplications, where both city and countywide taxes exist, cities and counties receiving local sales tax money represent 88.3% of the state's population.
5. A 1/2% countywide rate exists in eight counties, with 53 counties at the 1% rate and one at 2%. A 1/2% city tax is found in 39 cities, with a 1% rate in 80. There are 60 cities with city sales taxes located within counties with a countywide sales tax.
6. The trend is toward levying higher taxes. An effective rate of 1% or more is found in counties and/or cities containing 87.7% of the population of those units levying the tax, equal to 77.5% of the population of the state.
7. A local sales tax referendum may be held at any time. Mail ballots may be used. In most counties, one or more cities may compel a countywide referendum.
8. City sales tax levies have been approved in more than four out of five cities holding referendums. Countywide taxes have been approved in 63 (one expired) of 84 counties which have held such referendums, more than two out of three.
9. Voters in four counties and in 56 cities have approved an increase in the tax from 1/2% to 1%. Only one city has discontinued the use of a sales tax by referendum.
10. The tax is administered by the state, at no cost to the local unit.
11. All revenue from a city sales tax is returned to the city.
12. Under the general state law, revenue from a countywide tax is distributed by the state to the county and to cities therein, half on the basis of relative population (with the county receiving the population share for the non-city area), and half on the basis of relative property taxes levied by the county and all cities therein in the preceding year.
13. The revenue must be credited to the general fund; counties may transfer money to the road and bridge fund. A reduction or stabilization of property taxes may be achieved by reducing the tax levy required for the general fund.
14. Local sales tax collections vary from place to place, depending on the volume of retail transactions. The state retail sales tax yields an average of about \$35.25 per capita for each half cent tax.
15. Cities with local sales taxes vary from Spivey with a population of 84 to Kansas City with a population of 169,468. Countywide taxes vary from Greeley (1,800) to Sedgwick (391,100).

RESEARCH / INFORMATION BULLETIN

League of Kansas Municipalities / 112 West Seventh Street / Topeka, Kansas 66603 / 913-354-9565

Vol. XII, No. 519
January 19, 1990

STATUS OF KANSAS LOCAL SALES TAXES

This report is divided in four parts. Part A presents a brief summary of the current status of local sales taxes in Kansas. Part B lists those local units which have acted to levy a local sales tax, showing their population, rate of tax and effective date. Part C provides information on cities which benefit from countywide sales taxes. Part D reviews the prevalence of various effective local tax rates in Kansas.

Part A — Summary

As of January 17, 1990, 62 counties and 119 cities have a local sales tax in effect. The 62 counties have a combined population of 1,666,129 representing 70.5% of the state's 1980 population of 2,364,236. The 119 cities have a population of 1,087,202 representing 58.8% of the population of all cities of 1,849,305. However, some of these cities also receive revenue from a countywide sales tax. The net population of cities and counties levying a sales tax (eliminating duplications where both a city and countywide tax exist) is 2,088,157, representing 88.3% of the state's total population.

In addition to the 119 cities which have acted to levy a city sales tax, there are 330 other cities which receive revenue from a countywide sales tax. These 449 cities, which receive revenue from a city and/or a countywide tax, have a combined population of 1,731,268, representing 93.6% of the population of all cities.

Of the 62 counties, 8 are at the ½% rate and 53 are at the 1% rate, with a special 2% tax in Jackson County. Of the 119 cities, 39 are at the ½% rate and 80 at the 1% rate. A combined county-city rate of 2% exists in 17 cities, plus that part of Spring Hill in Miami County, in addition to Jackson County. A 1½% tax exists in 36 other cities. In addition to the 53 counties with a countywide 1% tax, there are 7 cities where both a ½% city and a ½% county tax exists, and 40 cities where a 1% city tax, but no county tax, exists.

The statewide picture showing population by tax rate is as follows:

	<u>Population</u>	<u>Percent of Population of State</u>	<u>Percent of Population of Local Tax Units</u>
2% Local Taxes	250,541	10.60	12.00
1½% Local Taxes	370,336	15.66	17.74
1% Local Taxes	1,210,834	51.21	57.99
½% Local Tax	256,446	10.85	12.27
(Subtotal)	(2,088,157)	(88.32)	100.00
No Local Tax	276,079	11.68	
Total	2,364,236	100.00	

In summary, of the 3,088,157 Kansans who live within a county and/or city which levy a local sales tax, 1,831,711 or 77.5% of the state's population, are subject to a local sales tax of 1% or more, while 276,079 or 10.6% are subject to a ½% tax. The local units without a local sales tax have 12.7% of the state's population.

A 1% or higher tax is found in counties and/or cities containing 87.7% of the population (net) of all units levying the tax, with a ½% tax found in 12.3% of the population of levying units.

Rate Trends. In addition to the gradual growth in the number of cities and counties levying a local sales tax, since the original Lawrence, Manhattan and Topeka taxes which took effect on July 1, 1971, there have been significant increases in rates. There have been four counties and 56 cities which have increased their tax from ½% to 1%, plus the Jackson County increase from 1% to 2% under a special law. Most of the recent sales tax referendums have been either to raise the rate or to levy a full 1% tax.

As the rates and frequency of use has increased, the revenue has grown dramatically, from \$30 million in FY 1980 to \$217.4 million in FY 1989.

Part B — Local Units With Sales Taxes

Listed below are the 62 counties and 119 cities which currently have a local sales tax, their 1980 population (revised), and the effective date the present tax rate took effect (1st of indicated month). Also shown is data as to city sharing of countywide taxes.

The list excludes Neosho County, where a ½% tax expired on October 31, 1987. Also excluded are the city sales taxes of Oskaloosa (1% expired June 30, 1983) and Parsons (½% expired September 30, 1989).

COUNTIES (62)	1980 <u>Pop.</u>	Percent <u>Rate</u>	<u>Date</u>	<u>Sharing Cities⁽¹⁾</u> <u>No. Pop.</u>	
Allen	15,654	½	11-82	9	11,353
Anderson	8,749	1	1-83	7	4,720
Barber	6,548	1	2-83	7	4,777
Barton	31,343	1	11-82	9	24,464
Brown	11,955	1	11-82	10	7,455
Chautauqua	5,016	1	2-83	6	3,112
Cherokee	22,304	1	11-82	8	13,491
Cheyenne	3,674	1	7-86	2	2,156
Clay	9,802	½	11-82	7	6,690
Crawford	37,916	1	11-83	10	28,803
Decatur	4,509	1	11-84	5	2,900
Dickinson	20,175	1	7-83	9	13,401
Edwards	4,271	1	11-83	4	3,023
Elk	3,918	1	11-82	5	2,400
Finney	23,825	½	11-81	2	19,072
Ford	24,315	½	1-83	4	19,752
Franklin	22,062	1	7-83	8	15,073
Geary	29,852	1	10-78(2)	3	20,959

Gove	3,726	1	11-84	5	2,109
Gray	5,138	1	2-83	5	3,027
Greeley	1,845	1	11-82	2	1,092
Harvey	30,531	1	7-86	7	25,149
Haskell	3,814	½	1-83	2	2,410
Jackson	11,644	2(3)	7-89(3)	9	5,184
Jefferson	15,207	1	5-83	8	6,329
Jewell	5,241	1	2-83	7	2,767
Johnson	270,269	½	10-75	20	252,711
Kiowa	4,046	1	11-82	3	2,994
Labette	25,682	1	9-81	8	19,125
Lincoln	4,145	1	2-83	4	2,309
Logan	3,478	1	11-82	3	2,582
Marion	13,522	1	7-87	12	8,393
McPherson	26,855	1	7-82	8	19,684
Meade	4,788	1	11-84	3	3,413
Miami	21,618	1	7-83	4	10,975
Mitchell	8,117	1	11-82	7	6,132
Montgomery	42,281	1	1-88	0(4)	0(4)
Morris	6,419	1	11-82	7	3,569
Nemaha	11,211	1	11-82	8	6,233
Osage	15,319	1	11-82	9	9,109
Osborne	5,959	½	1-83	5	4,266
Ottawa	5,971	1	2-83	5	3,722
Pawnee	8,065	1	7-83	4	5,582
Pratt	10,275	1	7-82	7	7,914
Rawlins	4,105	1	2-83	3	2,124
Reno	64,983	1	7-86(5)	14	48,934
Republic	7,569	1	11-82	8	4,549
Rice	11,900	1	11-82	9	8,987
Riley	63,505	½	2-83	5	35,633
Russell	8,868	1	4-88	8	7,109
Saline	48,905	1	11-82	6	43,283
Scott	5,782	1	5-82	1	4,154
Sedgwick	367,088	1	10-85	19	321,000
Seward	17,071	1	11-80(6)	2	15,279
Sherman	7,759	1	2-83	2	5,925
Stafford	5,964	1	11-84	6	3,764
Stanton	2,339	1	11-84	2	1,449
Thomas	8,451	1	11-82	5	6,293
Wabaunsee	6,867	1	2-83	8	3,034
Washington	8,543	1	2-83	11	4,637
Wichita	3,041	1	11-82	1	1,869
Wyandotte	172,335	1	1-84(7)	3	170,836
TOTAL	1,666,129			390	1,309,240

(1) As to cities in two counties: if both counties have the tax, the city is assigned to county in which most of the city is located, with population divided by county; if only one county has the tax, only the city population in that county is included.

(2) ½% effective 11-74.

(3) 1% of special 2% tax used for reservoir purposes. First 1% took effect 11-82.

-) Countywide tax not shared with cities under special law.
 (5) ½% tax took effect 11-77.
 (6) ½% effective 10-75.
 (7) ½% tax took effect 10-75.

CITIES (119) (Excludes Oskaloosa, which had a 1% tax in effect from 11-82 to 7-83; the Jefferson county 1% tax took effect 5-83. Excludes Parsons, which had a ½% tax from 11-86 to 9-89. Does not include Florence and Marion, where the voters approved the tax but the tax was not levied because of the Marion countywide 1% tax, which was approved at the same time).

Abilene*	6,572	½	5-83
Americus	915	½	4-87
Anthony	2,661	½	11-84
Arkansas City	13,201	1	4-85(½% tax took effect 10-78)
Arma*	1,676	½	11-82
Atchison	11,407	1	8-83(½% tax took effect 10-78)
Auburn	890	1	7-84
Baldwin City	2,829	½	1-82
Basehor	1,483	½	7-82
Baxter Springs*	4,730	1	7-85(½% tax took effect 7-82)
Belle Plaine	1,706	1	10-89
Bonner Springs*	6,266	1	1-86 (½% tax took effect 10-81)
Caldwell	1,401	1	11-82(½% tax took effect 11-80)
Caney	2,284	1	11-82(½% tax took effect 11-80)
Chanute	10,506	1	11-87(½% tax took effect 10-79)
Cherryvale*	2,769	1	11-82(½% tax took effect 2-81)
Chetopa*	1,751	1	7-85
Clay Center*	4,948	1	11-84(½% tax took effect 11-80)
Coffeyville	15,185	1	5-84(½% tax took effect 11-80)
Columbus*	3,426	1	4-87(½% tax took effect 7-82)
Concordia	6,847	1	2-83(½% tax took effect 9-81)
Conway Springs	1,313	1	10-89
Delphos*	570	1	11-84
DeSoto*	2,061	½	7-82
Dighton	1,390	1	7-83
Dodge City*	18,001	½	12-81
Easton	460	1	7-85
Edgerton*	1,214	1	7-85(½% tax took effect 7-82)
Edna*	537	1	1-89
Edwardsville*	3,364	1	1-86
Effingham	634	1	11-83
El Dorado	11,551	1	10-89
Elkhart	2,243	½	11-81
Ellis	2,062	1	11-83
Ellsworth	2,465	1	7-83
Elwood	1,275	1	11-84
Emporia	25,287	½	9-84
Erie	1,415	1	1/88(½% tax took effect 11-82)
Eudora	2,934	½	11-82
Fairway*	4,619	1	7-86(½% tax took effect 9-83)
Fort Scott	8,893	1	1-84

Fredonia	3,047	1	1-86
Frontenac*	2,586	½	11-82
Galena*	3,587	1	7-84(½% tax took effect 2-77)
Garden City*	18,256	½	2-83
Gardner*	2,392	1	1-89(½% took effect 11-82)
Girard*	2,888	½	11-82
Glasco	710	1	7-83
Hays	16,301	½	11-82
Herington*	2,930	½	7-80
Hiawatha*	3,702	½	11-80
Hill City	2,028	1	7-85
Hillsboro*	2,717	½	5-85
Horton*	2,130	1	7-87(½% tax took effect 11-80)
Hugoton	3,165	½	11-80
Humboldt*	2,230	½	1-82
Hutchinson*	40,284	½	7-86
Independence*	10,598	1	4-86 (½% took effect 2-81)
Iola*	6,938	1	1-90(½% took effect 11-81)
Junction City*	19,305	1	11-82
Kanopolis	729	1	7-85
Kansas City*	161,148	1	1-84(½% took effect 11-80)
LaCygne	1,025	1	10-88
Lakin	1,823	1	7-83
Lansing	5,307	1	1-89(½% took effect 7-82)
Lawrence	52,738	½	7-71
Leavenworth	33,656	1	3-85(½% tax took effect 7-77)
Leawood*	13,360	1	1-84(½% tax took effect 1-79)
Lenexa*	18,639	1	2-84(½% tax took effect 2-80)
Longford*	109	1	1-89
Louisburg*	1,744	½	7-82
Manhattan*	32,644	1	11-82(½% tax took effect 7-71)
Mayfield	128	½	11-82
Merriam*	10,794	1	2-84(½% tax took effect 7-79)
Miltonvale	588	1	7-87
Mission*	8,643	1	7-85(½% tax took effect 2-79)
Moran*	643	½	7-84
Neodesha	3,414	1	2-83(½% tax took effect 11-80)
Ogden*	1,804	1	11-82(½% tax took effect 1-78)
Olathe*	37,258	1	2-84(½% tax took effect 6-80)
Onaga	752	1	11-82
Osawatomie*	4,459	½	7-81
Ottawa*	11,016	½	2-79
Overland Park*	81,784	1	2-84(½% tax took effect 1-78)
Oxford	1,125	1	11-84
Paola*	4,557	½	7-81
Perry*	907	½	7-81
Pittsburg*	18,770	½	2-81
Plainville	3,458	½	2-85
Pomona*	868	½	7-81
Prairie Village*	24,657	1	2-84(½% tax took effect 10-78)
Roeland Park*	7,962	1	3-84(½% tax took effect 7-82)
Rossville	1,045	1	10-86

t. Marys	1,598	1	11-84(½% tax took effect 11-82)
Satanta*	1,240	½	1-87
Scammon*	501	1	4-88
Sedan*	1,579	½	11-81
Shawnee*	29,653	1	7-85(½% tax took effect 11-80)
Spivey	83	½	1-79
Spring Hill*	2,005	1	2-84(½% tax took effect 7-82)
Strong City	675	1	1-90
Sublette*	1,293	½	1-83
Syracuse	1,654	1	6-84
Tonganoxie	1,864	1	7-89(½% took effect 11-84)
Topeka	118,690	1	11-82(½% tax took effect 7-71)
Toronto	466	½	11-82
Ulysses	4,653	1	11-83
WaKeeney	2,388	1	2-83
Wakefield*	803	1	11-82(½% tax took effect 11-80)
Wamego	3,159	1	9-83(½% tax took effect 11-82)
Weir*	705	1	11-84
Wellington	8,212	1	7-83(½% tax took effect 2-79)
Westmoreland	598	½	2-83
Westwood*	1,783	1	2-84(½% tax took effect 7-81)
Westwood Hills*	437	1	2-84(½% tax took effect 7-80)
Williamsburg*	362	½	7-82
Wilson	978	1	9-83
Winfield	10,736	1	11-84(½% tax took effect 10-81)
Yates Center	1,998	1	1-86(½% tax took effect 11-82)
TOTAL	1,087,202		

Subtotal population of 59 cities not receiving countywide sales tax revenue -- 422,028
Subtotal population of 60 cities also receiving countywide sales tax revenue -- 665,174

*Cities in which there is also a countywide tax

Part C -- City and Countywide Taxes

As noted above there are 119 cities with city sales taxes, of which 60 also receive revenue from a countywide tax; these are indicated above(*). In Montgomery County, under a special law, the tax is not shared. There are 449 cities which receive local sales tax revenue, (330 from county only, 60 from county and city, and 59 from city only). The 390 cities which receive revenue from a countywide sales tax are listed below.

Allen ½% countywide tax shared by the county and cities of Basset, Elsmore, Gas, Humboldt (½), Iola (1), LaHarpe, Mildred, Moran (½) and Savonburg. These 9 cities had a 1980 population of 11,353.

Anderson 1% countywide tax shared by the county and cities of Colony, Garnett, Greeley, Harris, Kincaid, Lone Elm and Westphalia. These 7 cities had 1980 population of 4,720.

Barber 1% countywide tax shared by the county and cities of Hardtner, Hazelton, Isabel, Kiowa, Medicine Lodge, Sharon Springs and Sun City. These 7 cities had a 1980 population of 4,777.

Barton 1% countywide tax shared by the county and cities of Albert, Clifton, Ellinwood, Galatia, Great Bend, Hoisington, Olmitz, Pawnee Rock and Susank. These 9 cities had a 1980 population of 24,464.

Brown 1% countywide tax shared by the county and cities of Everest, Fairview, Hamlin, Hiawatha (½), Horton (1), Morrill, Powhattan, Reserve, Robinson, Sabetha (part) and Willis. These 10 (+1 part) cities had a 1980 population of 7,455.

Chautauqua 1% countywide tax shared by the county and cities of Cedar Vale, Chautauqua, Elgin, Niotaze, Peru and Sedan (½). These 6 cities had a 1980 population of 3,112.

Cherokee 1% countywide tax shared by the county and cities of Baxter Springs (1), Columbus (1), Galena (1), Roseland, Scammon (1), Treece, Weir (1) and West Mineral. These 8 cities had a 1980 population of 13,491.

Cheyenne 1% countywide tax shared by the county and cities of Bird City and St. Francis. These 2 cities had a 1980 population of 2,156.

Clay ½% countywide tax shared by the county and cities of Clay Center (1), Clifton (part), Green, Longford (1), Morganville, Oak Hill, Vining (part) and Wakefield (1). These 7 (+ 1 part) cities had a 1980 population of 6,690.

Crawford 1% countywide tax shared by the county and cities of Arcadia, Arma (½), Cherokee, Frontenac (½), Girard (½), Hepler, McCune, Mulberry, Pittsburg (½) and Walnut. These 10 cities had a 1980 population of 28,803.

Decatur 1% countywide tax shared by the county and cities of Clayton (part), Dresden, Jennings, Norcatour and Oberlin. These 5 cities (incl. 1 part) had a 1980 population of 2,900.

Dickinson 1% countywide tax shared by the county and cities of Abilene (½) 6,572, Carlton 49, Chapman 1,255, Enterprise 839, Herington (½) 2,930, Hope 468, Manchester 98, Solomon 1,018 and Woodbine 172. These 9 cities had a 1980 population of 13,401.

Edwards 1% countywide tax shared by the county and cities of Belpre 154, Kinsley 2,074, Lewis 551 and Offerle 244. These 4 cities had a 1980 population of 3,023.

Elk 1% countywide tax shared by the county and cities of Elk Falls, Grenola, Howard, Longton and Moline. These 5 cities had a 1980 population of 2,400.

Finney ½% countywide tax is shared by the county and cities of Garden City (½) and Holcomb. These 2 cities had a 1980 population of 19,072.

Ford ½% countywide tax shared by the county and cities of Bucklin, Dodge City (½), Ford and Spearville. These 4 cities had a 1980 population of 19,752.

Franklin 1% countywide tax shared by the county and cities of Lane 249, Ottawa (½) 11,016, Pomona (½) 868, Princeton 244, Rantoul 212, Richmond 510, Wellsville 1,612 and Williamsburg (½) 362. These 8 cities had a 1980 population of 15,073.

Geary 1% countywide tax shared by the county and cities of Grandview Plaza, Junction City (1) and Milford. These 3 cities had a 1980 population of 20,959.

Gove 1% countywide tax shared by county and cities of Gove City, Grainfield, Grinnell, Park and Quinter. These 5 cities had a 1980 population of 2,109.

Gray 1% countywide tax shared by the county and cities of Cimarron, Copeland, Ensign, Ingalls and Montezuma. These 5 cities had a 1980 population of 3,027.

Greeley 1% countywide tax shared by the county and cities of Horace and Tribune. These 2 cities had a 1980 population of 1,092.

Haskell ½% countywide tax shared by the county and cities of Satanta (½) and Sublette (½). These 2 cities had a 1980 population of 2,410.

Harvey 1% countywide tax shared by the county and cities of Burrton, Halstead, Hesston, Newton, North Newton, Sedgwick (pt.) and Walton. These 7 cities had a 1980 population of 12,205.

Jackson 1% countywide tax shared by the county and cities of Circleville, Delia, Denison, Holton, Hoyt, Mayetta, Netawaka, Soldier and Whiting. These 9 cities had a 1980 population of 5,184. Special 1% tax for reservoir purposes not shared.

Jefferson 1% countywide tax shared by the county and cities of McLouth, Meriden, Nortonville, Oskaloosa, Ozawie, Perry (½), Valley Falls and Winchester. These 8 cities had a 1980 population of 6,329.

Jewell 1% countywide tax shared by the county and cities of Burr Oak, Esbon, Formoso, Jewell, Mankato, Randall and Webber. These 7 cities had a 1980 population of 2,767.

Johnson ½% countywide tax shared by county and cities of Countryside, DeSoto (½), Edgerton (1), Fairway (1), Gardner (1), Lake Quivira (part), Leawood (1), Lenexa (1), Merriam (1), Mission (1), Mission Hills, Mission Woods, Olathe (1), Overland Park (1), Prairie Village (1), Roeland Park (1), Shawnee (1), Spring Hill (1) (part), Westwood (1) and Westwood Hills (1). These 20 cities (incl. 2 part) had 1980 population of 252,711.

Kiowa 1% countywide tax shared by the county and cities of Greensburg, Haviland and Mullinville. These 3 cities had a 1980 population of 2,994.

Labette 1% countywide tax shared by county and cities of Altamont, Bartlett, Chetopa (1), Edna (1), Labette, Mound Valley, Oswego and Parsons. These 8 cities had a 1980 population of 19,125.

Lincoln 1% countywide tax shared by the county and cities of Barnard, Beverly, Lincoln Center and Sylvan Grove. These 4 cities had a 1980 population of 2,309.

Logan 1% countywide tax shared by the county and cities of Oakley (part), Russell Springs and Winona. These 3 (incl. 1 part) cities had a 1980 population of 2,582.

Marion 1% countywide tax shared by the county and the cities of Burns, Durham, Florence, Goessel, Hillsboro (½), Lehigh, Lincolnville, Lost Springs, Marion, Peabody, Ramona and Tampa. Those 12 cities had a 1980 population of 8,393.

McPherson 1% countywide tax shared by county and cities of Canton, Galva, I., Lindsborg, McPherson, Marquette, Moundridge, and Windom. Those 8 cities had a 1980 population of 19,684.

Meade 1% countywide tax shared by county and cities of Fowler, Meade and Plains. These 3 cities had a 1980 population of 3,413.

Miami 1% countywide tax shared by the county and cities of Fontana 173, Louisburg (½) 1,744, Osawatomie (½) 4,459, Paola (½) 4,557 and Spring Hill (1) 42 (part). These 4 cities (+1 part) had a 1980 population of 10,975.

Mitchell 1% countywide tax shared by the county and cities of Beloit, Cawker City, Glen Elder, Hunter, Scottsville, Simpson (part) and Tipton. These 7 (incl. 1 part) cities had a 1980 population of 6,132.

Montgomery 1% sales tax for jail construction; not shared by cities under special state law. City sales taxes include Caney (1), Cherryvale (1), Coffeyville (1) and Independence (1).

Morris 1% countywide tax shared by the county and cities of Council Grove, Dunlap, Dwight, Latimer, Parkerville, White City and Wilsey. These 7 cities had a 1980 population of 3,569.

Nemaha 1% countywide tax shared by the county and cities of Bern, Centralia, Corning, Goff, Oneida, Sabetha (part), Seneca and Wetmore. These 8 (incl. 1 part) cities had a 1980 population of 6,233.

Osage 1% countywide tax shared by the county and cities of Burlingame, Carbondale, Lyndon, Melvern, Olivet, Osage City, Overbrook, Quenemo and Scranton. These 9 cities had a 1980 population of 9,109.

Osborne ½% countywide tax shared by the county and cities of Alton, Downs, Natoma, Osborne and Portis. These 5 cities had a 1980 population of 4,266.

Ottawa 1% countywide tax shared by the county and cities of Bennington, Culver, Delphos (1), Minneapolis and Tescott. These 5 cities had a 1980 population of 3,722.

Pawnee 1% countywide tax shared by the county and cities of Burdett, Garfield, Larned and Rozel. These 4 cities had a 1980 population of 5,582.

Pratt 1% countywide tax shared by county and cities of Byers, Coats, Cullison, Iuka, Pratt, Preston and Sawyer. These 7 cities had a 1980 population of 7,914.

Rawlins 1% countywide tax shared by the county and cities of Atwood, Herndon and McDonald. These 3 cities had a 1980 population of 2,124.

Reno 1% countywide tax shared by county and cities of Abbyville, Arlington, Buhler, Haven, Hutchinson (½), Langdon, Nickerson, Partridge, Plevna, Pretty Prairie, South Hutchinson, Sylvia, Turon and Willowbrook. These 14 cities had a 1980 population of 48,934.

Republic 1% countywide tax shared by the county and cities of Agenda, Belleville, Courtland, Cuba, Munden, Narka, Republic and Scandia. These 8 cities had a 1980 population of 4,549.

Rice 1% countywide tax shared by the county and cities of Alden, Bushton, Ch Frederick, Geneseo, Little River, Lyons, Raymond and Sterling. These 9 cities had a 1980 population of 8,987.

Riley ½% countywide tax shared by the county and cities of Manhattan (1) (part), Leonardville, Ogden (1), Randolph and Riley. These 5 (incl. 1 part) cities had a 1980 population of 35,633.

Russell 1% countywide tax shared by the county and cities of Bunker Hill, Dorrance, Gorham, Lucas, Luray, Paradise, Russell and Waldo. These 8 cities had a 1980 population of 7,109.

Saline 1% countywide tax shared by the county and cities of Assaria, Brookville, Gypsum, New Cambria, Salina and Smolan. These 6 cities had a 1980 population of 43,283.

Scott 1% countywide tax shared by the county and city of Scott city, which has a population of 4,154.

Sedgwick 1% countywide tax shared by the county and cities of Andale, Bel Aire, Bentley, Cheney, Clearwater, Colwich, Derby, Eastborough, Garden Plain, Goddard, Haysville, Kechi, Maize, Mount Hope, Mulvane (pt.), Park City, Sedgwick (pt.) Valley Center, Viola and Wichita. These 19 cities (Sedgwick counted in Harvey) had a 1980 population of 321,000.

Seward 1% countywide shared by county and cities of Kismet and Liberal. These 2 cities had a 1980 population of 15,279.

Sherman 1% countywide tax shared by the county and cities of Goodland and Kanorado. These 2 cities had a 1980 population of 5,925.

Stafford 1% countywide tax shared by county and cities of Hudson, Macksville, Radium, St. John, Seward and Stafford. These 6 cities had a 1980 population of 3,764.

Stanton 1% countywide tax shared by cities of Johnson City and Manter. These 2 cities had a 1980 population of 1,449.

Thomas 1% countywide tax shared by the county and cities of Brewster, Colby, Gem, Menlo, Oakley (part) and Rexford. These 5 (+1 part) cities had a 1980 population of 6,293.

Wabaunsee 1% countywide tax shared by the county and cities of Alma, Alta Vista, Eskridge, Harveyville, Maple Hill, McFarland, Paxico and Willard (part). These 8 (incl. 1 part) cities had a 1980 population of 3,034.

Washington 1% countywide tax shared by the county and cities of Barnes, Clifton (part), Greenleaf, Hadam, Hanover, Hollenberg, Linn, Mahaska, Morrowville, Palmer, Vining (part) and Washington. These 11 (+ 1 part) cities had a 1980 population of 4,637.

Wichita 1% countywide tax shared by the county and city of Leoti. Leoti had a 1980 population of 1,869

Wyandotte 1% countywide tax shared by county and cities of Bonner Springs (1), Edwardsville (1), Kansas City (1) and Lake Quivira. These 3 cities (+1 part) had a 1980 population of 170,836.

Part D -- Prevalence of Effective Tax Rates

Since city sales taxes may be at the ½% rate or 1% rate, and countywide taxes may be at the ½% rate or 1% rate (2% in Jackson), the combinations of local sales taxes in Kansas can vary from ½% up to 2% (3% in Jackson). Following is the distribution by rate and the affected population.

- (1) 2% Rate: 250,541 (17 cities and 1 county)
- (a) Jackson County special 2% tax -- 11,644
 - (b) Baxter Springs (1%) in Cherokee County (1%) -- 4,730
 - (c) Bonner Springs (1%) in Wyandotte County (1%) -- 6,266
 - (d) Caney (1%) in Montgomery County (1%) -- 2,284
 - (e) Chetopa (1%) in Labette County (1%) -- 1,751
 - (f) Cherryvale (1%) in Montgomery County (1%) -- 2,769
 - (g) Coffeyville (1%) in Montgomery County (1%) -- 15,185
 - (h) Columbus (1%) in Cherokee County (1%) -- 3,426
 - (i) Delphos (1%) in Ottawa County (1%) -- 570
 - (j) Edna (1%) in Labette County (1%) -- 537
 - (k) Edwardsville (1%) in Wyandotte County (1%) - 3,364
 - (l) Galena (1%) in Cherokee County (1%) -- 3,587
 - (m) Horton (1%) in Brown County (1%) -- 2,130
 - (n) Independence (1%) in Montgomery County (1%) -- 10,598
 - (o) Junction City (1%) Geary County (1%) -- 19,304
 - (p) Kansas City (1%) Wyandotte County (1%) -- 161,148
 - (q) Scammon (1%) in Cherokee County (1%) -- 501
 - (r) Spring Hill (1%) in Miami County (1%) -- 42 (pt.)
 - (s) Weir (1%) in Cherokee County (1%) -- 705
- (2) 1½% Rate: 370,236 (36 cities)
- (a) 1 city (½%) in Brown (1%) -- 3,702 (Hiawatha)
 - (b) 1 city (½%) in Chatauqua (1%) -- 1,579 (Sedan)
 - (c) 4 cities (½%) in Crawford (1%) -- 25,920 (Arma, Frontenac, Girard and Pittsburg)
 - (d) 2 cities (½%) in Dickinson (1%) -- 9,502 (Abilene, Herington)
 - (e) 3 cities (½%) in Franklin (1%) -- 12,246 (Ottawa, Pomona, Williamsburg)
 - (f) 1 city (½%) in Jefferson (1%) -- 907 (Perry)
 - (g) 3 cities (½%) in Miami (1%) -- 10,760 (Louisburg, Osawatomie, Paola,
 - (h) 1 city (½%) in Marion (1%) -- 2,717 (Hillsboro)
 - (i) 1 city (½%) in Reno (1%) -- 40,284 (Hutchinson)
 - (j) 1 city (1%) in Allen (½%) -- 6,938 (Iola)
 - (k) 3 cities (1%) in Clay (½%) -- 5,890 (Clay Center, Longford, Wakefield)
 - (l) 13 cities (1%) in Johnson (½%) -- 215,505 (Edgerton, Fairway, Gardner, Leawood, Lenexa, Merriam, Mission, Olathe, Overland Park, Prairie Village, Roeland Park, Spring Hill, Shawnee, Westwood, Westwood Hills)
 - (m) 2 cities (1%) in Riley (½%) -- 34,286 (Manhattan and Ogden)
- (3) 1% Rate: 1,210,834
- (a) Countywide 1% (890,827)
 - Anderson -- 8,749
 - Barber -- 6,548

ton	--	31,543	
brown	--	6,123	(excl. 2 cities of Hiawatha and Horton)
Chautauqua	--	3,437	(excl. city of Sedan)
Cheyenne	--	3,674	
Cherokee	--	9,355	(excl. 5 cities of Baxter Springs, Columbus, Galena, Scammon and Weir)
Crawford	--	11,996	(excl. 4 cities of Arma, Frontenac, Girard and Pittsburg)
Decatur	--	4,509	
Dickinson	--	10,673	(excl. 2 cities of Abilene and Herington)
Edwards	--	4,271	
Elk	--	3,918	
Franklin	--	9,816	(excl. 3 cities of Ottawa, Pomona and Williamsburg)
Geary	--	10,547	(excl. city of Junction City)
Gove	--	3,726	
Gray	--	5,138	
Greeley	--	1,845	
Harvey	--	30,531	
Jefferson	--	14,300	(excl. city of Perry)
Jewell	--	5,241	
Kiowa	--	4,046	
Labette	--	23,394	(excl. cities of Chetopa and Edna)
Lincoln	--	4,145	
Logan	--	3,478	
Marion	--	10,805	(excl. Hillsboro)
McPherson	--	26,855	
Meade	--	4,788	
Miami	--	10,816	(excl. 4 cities of Louisburg, Osawatomie, Paola and Spring Hill) (42-pt.).
Mitchell	--	8,117	
Montgomery	--	11,445	(excl. Caney, Cherryvale, Coffeyville and Independence)
Morris	--	6,419	
Nemaha	--	11,211	
Osage	--	15,319	
Ottawa	--	5,401	(excl. city of Delphos)
Pawnee	--	8,065	
Pratt	--	10,275	
Rawlins	--	4,105	
Reno	--	24,699	(excl. city of Hutchinson)
Republic	--	7,569	
Rice	--	11,900	
Russell	--	8,868	
Saline	--	48,905	
Scott	--	5,782	
Sedgwick	--	367,088	
Seward	--	17,071	
Sherman	--	7,759	
Stafford	--	5,964	
Stanton	--	2,339	
Thomas	--	8,451	
Wabaunsee	--	6,867	
Washington	--	8,543	
Wichita	--	3,041	
Wyandotte	--	1,557	(excl. 3 cities of Bonner Springs, Edwardsville and Kansas City)

) County ½% and City ½ (43,601)

2 cities in Allen	--	2,873	(Humboldt, Moran)
1 city in Finney	--	18,256	(Garden City)
1 city in Ford	--	18,001	(Dodge City)
2 cities in Haskell	--	2,410	(Satanta, Sublette)
1 cities in Johnson	--	2,061	(DeSoto)

(c) City 1% (no countywide tax) (276,406)

Arkansas City -- 13,201; Atchison -- 11,407; Auburn -- 890; Caldwell -- 1,401; Belle Plaine -- 1,706; Chanute --10,506; Concordia -- 6,847; Dighton -- 1,390; Easton --460; Effingham --634; Ellis --2,062; Ellsworth --2,465; Elwood --1,275; Erie --1,415; Fort Scott -- 8,893; Fredonia --3,047; Glasco --710; Hill City --2,028; Kanopolis --729; LaCygne --1,025; Lakin --1,823; Lansing --5,307; Leavenworth --33,656; Miltonvale --588; Neodesha --3,414; Onaga --752; Oxford --1,125; Rossville --1,045; St. Marys --1,598; Strong City --675; Syracuse --1,654; Tonganoxie --1,864; Topeka --118,690; Ulysses --4,653; Wakeeney --2,388; Wamego --3,159; Wellington --8,212; Wilson -978; Winfield --10,736; Yates Center --1,998.

(4) ½% Rate: 256,446

All other counties and cities with a sales tax



Johnson County
Kansas

January 31, 1990

HOUSE TAXATION COMMITTEE

HEARING ON HOUSE BILL 2720

My name is Gerry Ray, representing the Johnson County Board of Commissioners, appearing today in support of HB 2720.

In the past several weeks a number of tax bills have been introduced in which the intent was to solve the property tax problems in the state. Many of the bills had a negative impact on local governments, therefore those governments had no choice but to oppose them. House Bill is an answer to some of the problems and Johnson County is pleased to be able to offer support to the proposal.

There has been a great deal of discussion on shifting the tax burden from the property tax, and HB 2720 offers an opportunity for local governments to do so. This is the type of flexibility that we have all talked about and has now been put into a concrete proposal. On the issue of property tax reduction, if Johnson County were to implement the 1/4 sales tax proposed in HB 2720 it would realize over 9.6 million dollars in revenue. This is equivalent to approximately four and one-half mills in County property tax.

This is more than an issue of property tax reduction, it is an issue of Home Rule in the State of Kansas. Kansas is a strong Home Rule state, in which local officials have been given the responsibility for the area they represent. In 1990 there seems to be a move toward transferring that responsibility from the local to the state authority. HB 2720 returns the authority to the local officials to deal with local issues based on their knowledge of the district they represent.

Again, Johnson County wishes to express our strong support for House Bill 2720 and urge the Committee to recommend it favorably for passage.

1/31/90
Attachment 3

CITY OF KANSAS CITY, KANSAS

ONE CIVIC CENTER PLAZA
KANSAS CITY, KANSAS 66101
(913) 573-5017

DENNIS M. SHOCKLEY
INTERGOVERNMENTAL & PUBLIC AFFAIRS



January 30, 1990

Representative Keith Roe, Chairman
House Taxation Committee
Statehouse
Topeka, Kansas 66612

Re: House Bill 2720

Dear Chairman Roe and Committee Members:

The City of Kansas City supports House Bill 2720.

As part of its 1990 Legislative Program, the City Council expressed a desire to reduce local dependence on the property tax by attempting to get authority from the Legislature to raise revenue from alternative sources. House Bill 2720 would give local units that type of authority by giving them the option to increase the sales tax by .25% for property tax reduction. The City of Kansas City would welcome the added flexibility that having such an option would give in deciding on a revenue mix for the budget. Also, the additional flexibility of having the authority to ask the voters for an additional .50% increase in the sales tax would be of further benefit to the City as a possible revenue alternative to meet future demands for services.

Therefore, the City of Kansas City respectfully urges the House Taxation Committee to act favorably on House Bill 2720.

Sincerely,

Linton Bartlett
Legislative Liaison

LHB:me

tax
current sales
6.650

1/31/90
attachment 4



"Service to County Government"

212 S. W. 7th Street
Topeka, Kansas 66603
(913) 233-2271
FAX (913) 233-4830

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NACo Representative
Joe McClure
Wabaunsee County Commissioner
(913) 499-5284

Executive Director
John T. Torbert

January 31, 1990

TESTIMONY

For: House Taxation Committee

From: John T. Torbert
Executive Director

Subject: House Bill 2720

The Kansas Association of Counties supports HB 2720. Our convention adopted platform specifically calls for the ability of local governments to tap optional sources of revenue.

The legislation raises the maximum sales tax that may be imposed to 1.5%. Although the legislation contains no requirement that an increase in sales tax would have to be targeted for reduction of property taxes, the political reality is such that if a local government is going to have success in getting a sales tax increase approved by the voters, at least a portion of that increase will have to be targeted to other tax reductions.

The other change that the legislation would make is that a .25 % increase in sales tax would be allowed that could be imposed by ordinance or resolution of the governing body. This increase, by law, would be have to be directed 100% for property tax reduction. In this situation, we think that subjecting this increase to petition requirements is unnecessary.

We think this legislation is a positive step in the right direction of helping to ease reliance on property taxes. Be mindful though that in many counties of the state, the decision to impose or increase the sales tax will simply not generate enough revenue to make a substantial difference in the income stream of the local government. So, while this bill helps, it does not in any way shape or form solve all of our problems.

I'd be happy to answer any questions.

TSJSLTAX

*1/31/90
Attachment 5*



Executive Offices:
3644 S. W. Burlingame Road
Topeka, Kansas 66611
Telephone 913/267-3610

TO: THE HOUSE TAXATION COMMITTEE
FROM: KAREN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS
DATE: JANUARY 31, 1990
SUBJECT: HB 2720, LOCAL OPTION SALES TAX

Thank you for this opportunity to testify. On behalf of the Kansas Association of REALTORS®, I appear today to support the concept of local option sales taxes for the purpose of reducing the property tax burden.

Our testimony reflects our previous testimony on the local option proposals which this committee has been examining. While we believe that this proposal, by itself, will not completely solve the property tax problem which the state now faces, it is a necessary part of the solution.

We believe the property tax burden should be reduced and the local units of government should be given all avenues to finance their budgets to replace the property tax revenue on which they now rely--this means sales tax income tax, earnings tax, or whatever form of taxation the local units deem is appropriate and which is approved by a vote of the people.

We feel the local units should be given the authority for raising their sales tax without mention of the .25% or .50% limit provided in this bill, as long as the people are given an opportunity to vote on the issue. We ask that you make that amendment when you work the bill.

As with the other local option proposals, we believe that, in order for

Y31190 Attachment 6

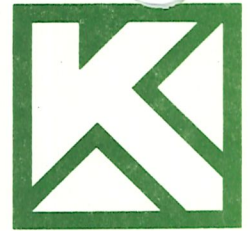
this local option sales tax to be used to its full potential, it needs to be coupled with a constitutional amendment which will put caps on effective property tax rates. The local option sales tax is just one more avenue which we believe local units could use, in order to reduce the burden on property taxes.

We ask that you support this bill, once it has been amended as we suggested, and in conjunction with the other local options. I will be glad to answer any questions you might have.

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

500 Bank IV Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

HB 2720

January 31, 1990

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Taxation Committee

by

Bob Corkins
Director of Taxation

Mr. Chairman and members of the Committee:

Thank you for the opportunity to testify regarding HB 2720 and its provision for increasing the local sales tax ceiling. My name is Bob Corkins, director of taxation for the Kansas Chamber of Commerce and Industry, and I am conveying the support of KCCI for this proposal to the extent that the increased authorization is intended to relieve property taxes.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

1/31/90
Attachment 17

KCCI believes that property taxes are inherently inequitable, and that an even exchange between property taxes and new sales tax revenues is desirable. However, this proposal goes beyond that specified exchange. Only a one-quarter cent increase authorized under this bill would reduce the current over-reliance on local property taxes. The other one-half cent authorized by HB 2720 could be used to fund anything the taxing district deems appropriate.

Our support for increased sales taxes is confined to those purposes for which a demonstrated state need is identified. Local sales taxes, by their definition, address only local needs. Property taxes, however, deserve special consideration because in the wake of reappraisal and classification we are faced with a need which is local in nature, but which has a unique statewide impact. Without a particular identified purpose for which the new half-cent sales tax would be applied, KCCI sees no justification for its authorization. Instead, we must defer to our broad policy objective of controlling the growth of government spending at all levels.

Again, thank you for your time and consideration.