



133 W 8th St
PO Box 112
Russell KS 67665-0112
Phone: (785) 483-6311
Fax: (785) 483-4397

Testimony on Senate Bill 248
House Committee on Taxation

Jon Quinday, City Manager
City of Russell, Kansas

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Chairman Smith and Members of the Committee:

The City of Russell supports local control – a government close to and responsive to the people. Our residents have elected officials capable of making good decisions within our community's values and needs. The governing body of the City of Russell continues to be mindful of tax burdens. Each year the governing body must weigh competing costs and benefits when it adopts the budget it believes is in Russell's best interests. Even without the Local Ad Valorem Tax Reduction (LAVTR) and County City Revenue Sharing (CCRS) programs, the city's proposed property tax revenue in 2022 is \$1,500 more than the tax revenue received in 2015.

Eliminating the local sales tax on groceries, food, and ingredients undermines the voice of the residents who voted on the local levies and their purposes. The loss to the general, fire equipment, capital improvement, and equipment reserve funds harm our community. We cannot continue to fund essential services relying on property tax and state-imposed sales tax reductions. Cities and counties have already endured the loss of the local ad-valorem tax reduction fund, city-county revenue sharing, and the losses from machine and equipment exemptions.

Senate Bill 248 does not consider the redevelopment areas dependent on tax increment financing and community improvement districts. Russell has three in progress – a travel center, hotel, and downtown housing development. The term sheets developed for the CID sales tax projects would be negatively impacted and may halt the projects.

I ask the committee members to vote "No" on Senate Bill 248 or amend it so local sales tax levies – approved by local voters for specific purposes – are left alone.

Thank you for this opportunity to voice opposition to SB 549.