



**CITY COMMISSION**  
MASON RUDER, MAYOR  
SHAUN MUSIL, SANDY JACOBS  
REESE BARRICK, ALAINA CUNNINGHAM

**CITY MANAGER**  
TOBY DOUGHERTY  
**DEPUTY CITY MANAGER**  
COLLIN BIELSER

March 10, 2023

House Taxation Committee  
c/o Chairman Adam Smith  
300 SW 10<sup>th</sup> Street  
Topeka, Kansas 66612

Dear Chairman Smith and House Taxation Committee Members:

The City of Hays, Kansas, opposes SB 248. While we understand the motivation to eliminate local sales tax collections on food and food ingredients, doing so would drastically affect our ability to provide essential city services to the citizens of Hays. Furthermore, the elimination of local grocery sales tax will only result in a tax shift as many communities will have to raise property taxes to compensate for the loss in revenue.

Here in Hays, we conservatively estimate our General Fund would be impacted by \$1.4 million. To give you an idea of what that impact equates to, a loss of \$1.4 million would eradicate our 24 Fire Department employees or our entire parks and sports complex operations and staff of 30 full and part-time personnel. To replace that loss in revenue, the City of Hays would need to increase property taxes by 5 mills.

According to the Bureau of Economic Analysis, in 2021 the per capita personal consumption expenditures for food purchase for off-premises consumption in Kansas, at the high end was \$3,971. Utilizing that amount, one person will pay just under \$70 per year in City of Hays sales tax on grocery purchases. Conversely, the median home value in Hays, according to the Census, is \$185,700. An increase of 5 mills to such a property would equate to a \$107 property tax increase. This impact will be even greater to our community's small business owners.

Furthermore, this scenario only accounts for the voter approved city sales tax rate. Here in Hays, voters have also approved a half-cent county-wide sales tax to fund emergency services and county operations, as well as another half-cent sales tax to supplement a recently passed school bond. SB 248 would impact their revenue streams as well, requiring those two entities to likely increase their property tax rates.

SB 248 would be detrimental to our local operations and ability to deliver vital community services to the citizens of Hays. I respectfully request the committee **VOTE NO** on SB 248 or amend the bill so local sales tax levies on food, food ingredients and groceries are made whole again, as is current law.

We respect the Legislatures' autonomy to adjust tax policy for the State, we just ask that you provide local governments the same courtesy and allow our citizens to decide what's best for our community.

Respectfully,

A handwritten signature in black ink, appearing to read "Mason Ruder".

Mayor Mason Ruder