



CRAIG S. OWENS  
CITY MANAGER

# City of Lawrence

## CITY MANAGER'S OFFICE

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Representative Adam Smith  
Chair, House Committee on Taxation

March 10, 2023

Representative Smith,

Thank you for the opportunity to provide written testimony on SB 248. I write on behalf of the City of Lawrence in opposition to the provision of SB 248 which would withdraw the authority of cities and counties to levy and collect tax on sales of food and food ingredients.

The City of Lawrence supports legislation that helps low income populations and welcomed the arrangements made in the previous legislative session to reduce sales tax on food. However, whereas sales tax is one of many income streams for the state, sales taxes are a vital and major source of revenue for funding the City's budget, and provide almost half of the revenue for general city expenses. We estimate that removal of sales tax on food and food products, based on 2021 returns, would reduce the City's revenue for funding the budget by some \$5,000,000.00. The proposed legislation would come into effect on January 1 2024. The budget planning cycle for 2024 is already well underway.

The sales tax now in place in this city was approved by residents for particular projects, and runs until 2029. The sales tax specifically supports streets and infrastructure projects, Lawrence Public Transit and affordable housing. In addition to the general sales tax, the City of Lawrence has three special tax districts where long term projects (22 years) funded by special sales tax levies approved by our voters will be negatively impacted by the arrangements proposed in SB 248.

The City's ability to plan and to meet the needs of its residents will be adversely affected by the withdrawal at short notice of its ability to count on planned for revenue, sanctioned by its voters. I ask Committee members not to pass SB 248 out of the committee, unless the bill is amended to reinstate municipalities' taxing and collection authority.

Casey Toomay  
Assistant City Manager

