

Board of County Commissioners

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House Taxation Committee

March 13th, 2023

SB 248

Chairman Smith and members of the Committee:

Thank you for allowing Ford County to offer opponent testimony on Senate Bill 248 (SB 248), which would create a sales tax exemption for “food and food ingredients” as defined in the bill.

Ford County understands that tax exemptions are a way to encourage certain behavior. Sales taxes are used to fund many state mandated services at the local level, including EMS, road and bridge projects, emergency call centers, and behavioral health. Some counties use sales tax to help offset the property tax burden in the county. Countywide sales taxes require a ballot provision, which must be approved by local voters. The scope of this bill has been expanded greatly, and as you have heard expressed in the Kansas Association of Counties neutral testimony, it is still important that local sales tax revenues be preserved to continue to fund these critical local programs.

In Ford County, sales tax revenues are specifically ear-marked for community projects that improve quality-of-life, economic development and infrastructure. The loss of sales tax revenues will result in an immediate loss of flexibility, cessation of future projects and an overall budget emergency. SB 248 would potentially cost local government entities in Ford County approximately 30 MILLS overall.

If there is a shortfall in local government budgets of this magnitude, this will create necessary responses to bridge the gaps in funding which can lead to a loss of local government employee positions, elimination of training and education budgets, capital improvement plans and force local governments into debt-financing procedures to fund day-to-day operations. These are not symptoms of healthy governance or bona fide stewardship.

None of these responses are in the best interest or benefit to citizens and taxpayers in Kansas. SB 248 will be an additional long-term expense that the tax payers will have to pick up in the form of property taxes.

In plain terms, the programs and employees that exist today will not exist tomorrow yet the obligations to the taxpayers still exist – this translates into another unfunded mandate for local government entities with no relief and each taxpayer is essentially forced into carrying more of an individual financial burden moving forward.

Mission Statement

Build on our heritage, prepare for the future and provide quality services to our citizens.

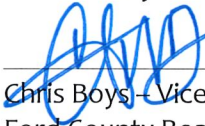
SB 248 is a bill that will, in its current form, shift the burden of funding local government onto the property tax. County government has a limited number of funding sources. Since 2000, county government has lost the Local Ad Valorem Tax Reduction (LAVTR), the City County Revenue Sharing (CCRS), machinery taxes, mortgage registration fees, and other revenue streams. In addition, even as the state has increased the gas tax, the local portion that goes to cities and counties has been decreased, so all of the additional gas tax revenue goes to the state, even as gas tax revenues decline overall. This trend has led to a reliance on local property taxes to fund nearly all of local government activities. A negative impact on sales tax revenues, which SB 248 would certainly have, would further increase the reliance on property taxes to fund local government.

In solidarity with the Kansas Association of Counties and other local government units, Ford County opposes SB 248. We ask that this committee partner with us in opposing this legislation. Thank you for the opportunity to present this perspective on this legislation.

On behalf of Ford County residents, staff and Board of County Commissioners,



Shawn Tasset – Chairman
Ford County Board of County Commissioners – 1st District



Chris Boys – Vice Chairman
Ford County Board of County Commissioners – 2nd District



Ken Snook – Commissioner
Ford County Board of County Commissioners – 3rd District

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