

Written testimony in favor of Senate Bill 223  
February 26, 2025  
Jason C. Krug  
Russell County Commissioner

Thank you chairperson Senator Tyson, vice chair Senator Peck, and the rest of the committee members for hearing us today. I'm Jason Krug, Russell County Commissioner. USD 407 approached the Russell County Commissioners regarding a county-wide sales tax that would be used in conjunction with a school bond to be put on a ballot. I'm asking you today to give us that opportunity. Our school district has put together a steering committee that has been working on this project for over a year. From the input they received, it became clear that we would need a sales tax to help pay for the bond in addition to property tax. I know you have spent quite a bit of time dealing with the property tax issue across the state. The citizens of Russell County cannot afford a bond issue relying solely on property taxes. A sales tax must be part of the solution. I realize that what we are asking has been done with USD 105 in Atwood Kansas, albeit under different circumstances. USD 407 is sitting at a crossroad. The last bond that was passed was in 1959. Our current schools are in dire need of repairs or replacement. The school district has worked tirelessly trying to put the repairs needed on the infrastructure, being able to band-aid our current facilities. With the ever-increasing costs the ability to keep up with the needs of the facilities has become almost impossible. From a County Commissioner perspective things are not easy as well. As you may know, Russell County is one of the top 5 oil producing counties in the state of Kansas. Our largest producers have publicly stated that oil production has gone down 3-5% each year for the past 10 years. Production will continue to decrease as time goes on. Our oil valuations are taking a large hit. One township in Russell County is expecting to lose about \$450,000 dollars this year compared to last. We still have an obligation as commissioners to provide services to the citizens of Russell County. Currently the 2% tax in Russell County is ½% for the hospital, ½% for Economic Development, ½% to the cities in the county and ½% to the county itself. Our only way to accomplish that is to sharpen our pencils and possibly raise taxes, which is what we are trying to avoid. Giving us the opportunity to vote on a county-wide sales tax would provide an economic spark for the county. There are 4 school districts in Russell County. Each district would get a portion of this tax, benefiting each community. Three things are key for Russell to thrive for the coming years. A good hospital, a good grocery store, and good schools. We currently have a great hospital and grocery store.

Updated schools are the missing link. Having updated schools will have a positive effect on our local economy. A strong school district is a major driver of property values. Families with children prioritize good schools, and their absence would significantly reduce the demand for housing. This decline would impact everyone, not just those with children. Homeowners would lose equity, and the overall tax base would shrink. Less families would hinder future residential development and stifle the growth and potential for new businesses and services. All these things would lead to declining

property values which would lead to a significant drop in property tax and sales tax revenue. Schools are often the heart of small communities, serving as gathering places and sources of pride. The possibility of losing a school can erode community cohesion and identity. In essence, losing a school isn't just about education. It's about the entire economic and social fabric of our community. It would create a domino effect, leading to declining property values, workforce shortages, business closures, and a shrinking tax base. I am asking you today to let the citizens of Russell County have the opportunity to vote on this sales tax.

Thank you

Jason C. Krug  
Russell County Commissioner