



Date: March 9, 2020

To: Chairman Steven Johnson and House Taxation Committee Members

From: Jim Benage, Mayor of Bel Aire, Kansas

Re: Written Only- Testimony in Opposition to HB 2656

Thank you, Chairman and Committee, for allowing me to submit testimony on HB 2656. The City of Bel Aire is opposed to this legislation because it creates uncertainty and threatens our residents' ability to benefit from their sales tax contributions.

The City of Bel Aire is a residential community across the street from the City of Wichita in Sedgwick County. Our citizens purchase nearly every household necessity (groceries, supplies, and clothing) outside our city limits. The current distribution method allows our citizens to benefit from their sales tax contributions in Sedgwick County. HB 2656 is attempting to complicate a simple process while adding uncertainty to a major revenue source.

The City of Bel Aire received \$1,345,028 from the countywide sales tax in FY 2019. This accounts for 22% of our total revenues. The City of Bel Aire is a growing community with debt service obligations that must be paid. Insurance premiums, utility payments, fuel and maintenance for vehicles, postage, safety equipment, materials for public grounds upkeep, and police supplies that must be purchased. The worst case scenario would be losing 22% of revenues. This would result in layoffs of public works staff, clerks, administrative assistants, and police officers. To recover such a large reduction in revenues, another option would be to raise property taxes. The best case scenario would result in even more sales tax uncertainty. The increased revenue uncertainty will lead to fear and reduce services to our community.

Based on this testimony, the City of Bel Aire requests you do not pass HB 2656.

Sincerely,

Jim Benage
Mayor, City of Bel Aire, Kansas

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