



March 10, 2020

Chairman Steven Johnson and  
House Taxation Committee Members

RE: Written Only Testimony in Opposition to HB 2656

Dear Chairman Johnson and Committee Members:

Thank you for the opportunity to provide written testimony in opposition to HB 2656 on behalf of the City of Hutchinson.

Currently the 1% county-wide sales tax dedicated to property tax relief here in Reno County provides approximately \$11 million annually for services to Reno County residents. The City of Hutchinson receives about 49% of this total, which accounts for 16% of the city's general fund revenues.

For the City of Hutchinson HB 2656 represents a potential shift of that \$5.5 million back to our property tax levy (the equivalent of a 17.8 mill levy increase), or significant service level reductions to our citizens.

The current county-wide sales tax distribution formula has been in place for over 30 years and has served cities and counties very well. Consideration to change the long-standing distribution formula because of a single inter-local dispute between one county and one city in Kansas is not warranted, and would have major impacts on numerous cities across the State.

We strongly urge the Committee to oppose HB 2656 and continue the current distributed formula of the county sales tax as set by statute.

Sincerely,

John Deardoff  
City Manager

Sincerely,

Jade Piros de Carvalho  
Mayor