



City of Dodge City

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Date: March 10, 2020

To: Chairwoman Caryn Tyson and Senate Assessment and Taxation Committee Members **From:** Cherise Tieben, City Manager and Ernestor De La Rosa, Assistant City Manager/Legislative Affairs

Re: Written Testimony in Opposition of Senate Bill No. 396

Chairwoman Tyson and Committee Members, thank you for the opportunity to testify in opposition to Senate Bill (SB) Number 396 on behalf of the City of Dodge City.

Sales tax is one of three major sources of revenue of the City of Dodge City. Sales tax revenue is critical as it helps our City fund the general fund, which help cover costs for basic services in our community such as public safety, parks and facilities, street improvement and infrastructure, and other much needed services. In Fiscal Year (FY) 2019, the City received approximately \$10.6 million dollars in revenue from sales tax.

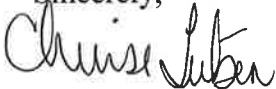
SB 396 calls to discontinue the apportionment of the countywide sales tax for general purposes to cities beginning on July 1, 2020. All countywide sales tax revenue for general purposes would now be retained by the board of county commissioners and allow county commissioners to enter into interlocal agreements to share a portion of the countywide sales tax revenue with any city in the county. However, without an interlocal agreement in place, the City of Dodge City has the potential to lose approximately \$1.3 million dollars of countywide sales tax distributions in FY 2020 alone, which would now be retained by Ford County under the provisions of the bill, unless a full release interlocal agreement could be gained. This would be catastrophic to our City and would force us to reduce or eliminate some of the services we offer.

Relationships between cities and counties can change per election, the current allocation of the sales tax has worked since 1978 and continues to work for all parties involved. Dodge City and Ford County currently have a joint agreement for distribution of a special sales tax that was added through an election in 1997 for the Why Not Dodge Program. Under some Joint Commissions this has worked wonderfully and under others, it has been contentious and difficult at best. Having this critically important sales tax managed by an independent Kansas Statute relieves the concerns of the up and down relationships coming into play and giving instability to local municipal budgets.

The City of Dodge City currently has no issues or concerns with the current distribution of sales tax. Also, the Kansas Association of Counties and the League of Kansas Municipalities strongly opposes SB 396. Please note that the City of Dodge City and 491 other Kansas municipalities would be affected by unnecessary changes with the adoption of this bill.

It is for all the reasons above that we strongly urge to oppose Senate Bill 396. Thank you for your time and consideration.

Sincerely,


Cherise Tieben
City Manager


Ernestor De La Rosa
Assistant City Manager/Legislative Affairs