

City of Hiawatha

701 Oregon • Hiawatha, Kansas 66434

Date: March 5, 2020

To: Chairwoman Caryn Tyson and Senate Assessment and Taxation Committee Members

From: William Collins, Mayor *WRC*

Re: Testimony in Opposition to SB 396

Chairwoman Tyson and Committee Members,

On behalf of the City of Hiawatha, I appreciate the opportunity to testify in opposition to SB 396. We understand SB 396 proposes to eliminate a source of municipal revenue by redirecting the portion of a county's sales tax, which is currently distributed to municipalities within each county, back to said county.

The distribution Hiawatha receives from Brown County is deposited into the City's general fund; estimated at \$290,000, the equivalent of over 12 mils of property tax. These funds assist with the operations of our Police and Fire Departments, ambulance service, as well as City Hall, Municipal Court, Parks and our community center. Additionally, the funds assist with debt service related to public safety equipment that is viable to service of our residents and surrounding community.

The financial impact of losing this revenue would be devastating not only to the 2020 budget but, would place an undue burden upon our tax payers in the future in order to overcome the deficit created by SB 396.

It is for these reasons and with all due respect, the City of Hiawatha requests SB 396 not be passed.