



CITY OF HUMBOLDT
OFFICE OF CITY ADMINISTRATION

725 Bridge, PO Box 228 · Humboldt, KS 66748-0228 · Ph: (620)473-3232 · Fax: (620)473-2133 · www.humboldtkansas.org

Date: March 10, 2020
To: Senate Committee on Assessment and Taxation
From: Cole Herder, City Administrator, City of Humboldt
Re: SB 396 – Written Opponent Testimony

Thank you, Chairwoman and Committee, for allowing me to submit testimony on SB 396. The City of Humboldt is currently opposed to this legislation.

The City of Humboldt is dependent on the apportionment of the countywide retailers' sales tax and has been for many years. SB 396 requires this change in the middle of our budget year 2020 which was set and publicized in 2019.

In 2019, this tax resulted in approximately \$130,000 which may not seem like much to the State of Kansas, but it is significant in the budget of a small rural community. This tax is equal to 9.9% of the general fund revenues, for the City of Humboldt. Loss of this revenue would require an increase of 15.34 mills. The City has cut all unnecessary spending and cannot sustain losses of nearly 10% of revenues.

We believe it is important to understand the origination of this sales tax distribution to the cities and how long it has been in effect. Hundreds of city and county budgets have been constructed around this formula and all must be changed to account for this abrupt change in tax law.

For these reasons, I ask that Committee to **not** pass SB 294 out of committee. Thank you for your consideration.

Sincerely,

Cole Herder, City Administrator