



March 16, 2022

Chair Smith and the members of the committee:

Greetings from Ottawa!

I respectfully submit testimony in OPPOSITION to HB 2738.

A few notes to consider:

- Since 1977, Kansas cities have successfully partnered with the 105 counties in Kansas on a sales tax revenue sharing formula that benefits all cities in Kansas.
- OVER 83% of Kansans live within an incorporated city. The prosperity of cities in Kansas is CRITICAL to the growth of our state.
- This fair method to distribute funds ensures that sales tax which is primarily generated within cities, supports healthy and sustainable cities.

HB 2738 would allow counties on future countywide sales tax issues to discontinue the current apportionment of countywide retailers' sales tax between the county and cities. **The detrimental impacts for city residents and businesses of this bill will create additional tax burdens for over 83% of residents of Kansas** (those who live inside cities).

Without shared sales tax revenue, the City of Ottawa would be forced to replace 17% of its revenue supporting Law Enforcement, Parks, Streets, and Fire services. In 2021 that would have been an increase of 15 mils! This is an undue burden on the citizens inside all cities including the citizens of Ottawa.

Elimination of this fair distribution is no way to attract new citizens to our state and will be damaging to the ability of cities to attract economic development projects to locate in our community.

I deeply respect the yeoman's work that each of you do for Kansans. HB 2738 does not help Kansans, it hurts them.

I urge you to not support advancement of this bill!

All the best to you today and always,

Sara Caylor
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