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Date: March 16, 2022

To: Chairman Adam Smith and House Committee on Taxation Members

From: Kendal Francis, City Administrator, Great Bend, Kansas

Subject: Testimony in Opposition to HB 2738

Dear Chairman Smith:

I am writing in opposition to HB 2738.

This bill would fundamentally alter the formula, that has been law since 1978, on the distribution of the general-purpose countywide sales tax. This change would have a severe, negative impact on the City of Great Bend, and I believe all cities in Barton County and throughout the state.

Barton County assesses a 1% sales tax, which under current law, annually results in approximately \$2.1 million in direct payments to Great Bend's General Fund. HB 2738 would eliminate the requirements for distributing those monies to cities and direct 100% of those funds to the counties. It does not preclude counties from "sharing" those funds. However, the reality is that those funds can and most assuredly will be redirected at a county's whim. Cities need those protections to remain in place.

If the county was to withhold that distribution, the City's only alternatives to offset the funding loss would be to either cut essential services or raise property taxes, both of which penalize our citizens.

Therefore, I respectfully urge you to oppose HB 2738.

Sincerely,

Kendal Francis

City Administrator