

City of McPherson

400 E. Kansas Ave.
P.O. Box 1008
McPherson, KS 67460



City Administrator 620 • 245-2535
City Attorney • 245-2535
Public Works Director • 245-2545
Fire Chief • 245-2505
City Inspector • 245-2547
Chief of Police • 245-1200
Sanitarian • 245-2548
Public Lands & Facilities • 245-2535
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Testimony in Opposition of HB 2738
Presented by Mayor Thomas A. Brown
City of McPherson
March 16, 2022

Mr. Chairman, Vice Chair, Ranking Minority Representative, as Mayor of the City of McPherson, I offer this written testimony in opposition of HB 2738.

The City of McPherson opposes HB 2738 as it would have a detrimental impact on the residents and businesses of McPherson. The impact in 2021 was \$2,324, 514.21. If HB 2738 passes, the additional ad valorem tax burdens would be huge to make up the difference. This amount of additional property tax is totally unacceptable. The City of McPherson budgets conservatively. There is no way even to cut services to the citizens and ask for a smaller property tax increase!!!

- Since 1978, the formula for countywide sales tax revenue sharing has been employed across the state. Currently, 93 counties levy a countywide sales tax. In 2020, 492 Kansas cities received a total of \$271,112,274 and 82 Kansas counties received \$214,258,925 through the formula. The current formula was the result of a compromise between cities and counties – the formula continues to work now for cities and counties.
- In Kansas, 90% of the sales taxes generated in the state are generated within city limits. 84% of the residents of Kansas live in cities. In most cases, most of the sales tax is generated inside city limits and there has been a recognition that a portion of those sales tax dollars should stay where they are generated.
- Many cities across the state use the proceeds from this tax in lieu of property taxes and to pay debt service. If this law went into effect, it likely would cause cities to have to raise property taxes or cut vital city services relied upon and expected by their citizens.
- The Kansas Association of Counties suggests interlocal agreements could be agreed to between cities and the county. The legislation does not require counties to do this, leaving all discretion in the hands of the county and ignoring the role cities play in fostering commerce.

Mayor

Thomas A. Brown

Commissioner of Public Facilities

Gary L. Mehl

Commissioner of Public Works

Larry E. Wiens

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- City residents and businesses pay the same county property taxes as county residents. In many cases, those tax dollars are used extensively outside city limits for county roads and bridges, noxious weeds, and other functions. This legislation gives no guarantees to city residents that the status quo of spending by county commissions primarily outside city limits would not be applied to sales tax revenues. Changing this sales tax structure would put further weight on city residents to pay the cost of county services with no direct benefit.

Thank you for the opportunity to give written testimony,

Thomas. A. Brown

Mayor, City of McPherson

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