



Respect for the past, strength for the future.

March 10, 2020

Senator Caryn Tyson, Chairman
Senate Assessment and Taxation Committee
Kansas Senate
Topeka, KS

Dear Senator Tyson:

I am writing to provide testimony regarding SB 396. I wanted to share the impact on the City of Hillsboro if this bill were to be approved.

I have been the City Administrator here in Hillsboro almost 13 years. In preparing 13 budgets, we have allocated \$150,000 of sales tax revenues toward paying debt service. Another \$150,000 is allocated to funding our capital improvement fund (CIP).

Our assessed value for CY 2020 is \$18,487,805. I don't have to tell you that if we were to lose the sales tax we allocate for debt service and CIP, the mill levy impact would be significant—16.227 mills.

As we were putting the 2020 budget together last year, we took the opportunity to refinance two of our utility bonds and use the \$1,000,000 savings to build a debt service mill levy management plan that puts us in a position to keep our mill levy from climbing over the next 5 years.

Approval of SB 396 will put us in the position of raising the debt service mill levy in a way that we thoughtfully worked to avoid.

Hillsboro has made a number of community improvements—mostly street reconstruction—to help us become a well maintained community with little impact on the budget. We have positioned ourselves to be attractive. Action like that proposed in SB 396 will cause a retraction of the efforts we are making. SB 396 will cause our improvement efforts to go away and put us in the position, like most other rural communities, to deteriorate without any hope of improving ourselves.

Here in Marion County, condition of our county roads has been the source of much criticism. Loss of sales tax funds will be a significant deterrent to Marion County's ability to get farmer's products to the grain elevators as well.

I sincerely ask that SB 396 be rejected due to the impact it will have on our ability to provide good services to our community.

Sincerely,

A handwritten signature in black ink that reads "Larry Paine". The signature is written in a cursive style with a large, looped initial "L".

Larry Paine
City Administrator