



CITY COMMISSION
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ASSISTANT CITY MANAGER
COLLIN BIELSER

To: Senate Assessment and Taxation Committee – Caryn Tyson, Chairperson

From: Sandy Jacobs, Mayor

Date: February 5, 2021

RE: Testimony in Opposition of Senate Bill 87

Chairwoman Tyson and members of the Committee, thank you for allowing me to submit this testimony outlining the City of Hays' opposition to SB 87.

In April of 2020, voters of Ellis County overwhelmingly approved a one-quarter cent countywide sales tax. The tax was presented to the voters for consideration specifically stating that the proceeds would benefit the incorporated communities in Ellis County as well as the County. Adoption of SB 87 would redirect those revenues in opposition to what the voters approved.

The current sales tax Statutes do not prohibit counties from retaining a majority of the sales tax proceeds. There are certain types of sales taxes that can be retained 100 percent by the county, such as the recently-approved one-quarter cent tax in Ellis County to be used for health services. In 2013, the Hays City Commission and Ellis County Commission signed an Interlocal Agreement that allowed Ellis County to retain 100 percent of a one-half cent countywide general sales tax that Ellis County then used for various capital projects.

The current sales tax distribution formula has been in place since 1978 and is working well. As with many counties in Kansas, most of the sales taxes are collected within the incorporated areas. It is important that some of those sales tax dollars remain within those communities.

The current property tax structure is not beneficial to city residents. City property taxpayers pay the same tax for county services as do county residents in the unincorporated areas. In most instances, those tax dollars are used exclusively in the unincorporated areas. Changing the sales tax structure would put further pressure on city residents to pay the cost of county services with no direct benefit.

In summary, the City of Hays opposes SB 87 and feels the current sales tax framework within the Kansas Statutes is functioning properly. Thank you for your time and consideration.