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Date: March 23, 2017

To: House Committee on Taxation

From: Larry R. Baer

General Counsel

Re: House Bill 2382

Testimony in Support - Oral

Thank you for allowing me to appear before you today and present testimony on HB 2382 on behalf of the League of Kansas Municipalities and our member cities.

The League supports full funding of the Kansas T-Works comprehensive transportation program. We oppose any use of these funds to balance the State's general fund budget. Reduction in T-Works funding jeopardizes existing programs. The League supports HB 2382, not because we support tax increases, but, rather, we believe that it is necessary to financially protect and preserve the comprehensive transportation program.

Action taken by the Legislature in recent years has siphoned nearly one billion dollars from the Kansas Department of Transportation and the T-Works program for the sole purpose of balancing the state general fund. This action has left highway and transportation funding in a precarious financial position — not only is the State unable to pursue the T-Works program, it is also stretched very thin on its ability to do ongoing maintenance on existing roadways. Thus, the need to increase motor fuels tax is self-induced.

While the League neither supports nor condones the Legislative action that has precipitated the fuel tax increases contained in HB 2382, we believe that the increase is necessary. It is needed to assure that: maintenance continues on existing Kansas highways; city-county highway funds are not diverted for other purposes; and, cooperation continues between state and local governments to provide safe roads and bridges within the state.

The League asks that you give favorable consideration to HB 2382. More importantly, we ask that you look to the adoption of a sound state-wide tax policy that addresses the current imbalance in the State's taxing system and returns to the long-established philosophy of balancing revenue from income, sales and property taxes.

¹ League of Kansas Municipalities 2017 Statement of Municipal Policy; available at: http://c.ymcdn.com/sites/www.lkm.org/resource/resmgr/publications/WEB_2017-municipal-policy-up.pdf