

House Taxation Committee March 17, 2022 HB 2738

Kansas Association of Counties Proponent Testimony

Chairman Smith and members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer proponent testimony on HB 2738, which would discontinue the countywide sales tax voted on in 1993 in Atchison County not later than June 30, 2023. The bill would also allow counties to determine how countywide sales taxes are apportioned in the future, subject to a ballot initiative.

The countywide sales tax in Atchison County has been the subject of significant debate over the last several years. This disagreement has impacted the community in Atchison County, due to a disagreement between local officials about how the tax is apportioned. While the sales tax was originally used to fund joint communications and solid waste, this was a general sales tax, not a dedicated sales tax. As a result, as the revenue from the tax grew, disagreements about how it should be apportioned and used developed.

KAC supports the provision in section 1(h), which would terminate the sales tax in Atchison County. This termination would allow Atchison County to request a new ballot initiative from the legislature to replace the disputed tax with a new tax dedicated to funding joint communications and solid waste, put a general tax in place without tying it to funding those services at the discretion of local officials, or simply end this countywide sales tax entirely. This would eliminate the tax at the root of the conflict, and allow local officials to work together on a new solution to put before the voters of Atchison County.

It has become clear to KAC that there is some concern with the portion of the bill that would change the apportionment formula statewide. With that understanding, KAC would not oppose striking Section 2(i) from this bill to make this legislation applicable only to Atchison County.

Thank you for your time and consideration on this matter.

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