



*Written Testimony Submitted to the*  
**House Tax Committee**

13 March 2023

*Kiel Mangus, City Manager*  
*City of Derby*

Written Testimony in Opposition To SB 248

Chairman Smith, Vice-Chairman Bergkamp and Ranking Member Sawyer, thank you for the opportunity to provide comment **in opposition to an element of SB 248, specifically the language which removes the ability of local governments to collect sales tax on food.**

Derby is one of the fastest growing Kansas communities and we have worked hard to provide vibrant services and amenities that have attracted so many new residents and have been financially diligent in continuing to provide those services and amenities that residents now expect.

The City's financial team estimates that the City would lose between \$700,000 - \$800,000 per year if our local food sales tax was eliminated by the State as proposed in SB 248. Our financial team projects over a \$5 million loss over seven years to the City, which includes both the local Derby Difference half cent sales tax approved by our voters and the city portion of the one cent Sedgwick County Sales Tax.

Local food sales tax has been utilized to help enhance the quality of life for residents in Derby, while at the same time providing property tax relief. The City local sales tax has been utilized to build and operate the Derby Public Library, the hiring and operations of the Derby Fire and Rescue Department, to build quality parks such as Madison Avenue Central Park and Decarsky Park and Rock River Rapids (a regional water park).

Derby has relied on local food sales tax from stores in town including Wal-Mart, Super Target, Neighborhood Wal-Mart and Aldi's for revenues to help fund critical services. The voters of Derby have approved local sales tax questions to build above-listed amenities and pay for those services via the local sales tax.

The significant loss of revenue to the City inflicted by SB 248 would shift the tax structure, likely leading to increased property taxes to offset the shortfall. Please leave such critical decisions up to locally elected officials who are best positioned to determine what type of services and amenities they want in their community and how to best pay for those services and amenities.

Thank you for the opportunity to provide remarks in opposition to the State removing local government discretion when it comes to how to operate and maintain our communities.