



DATE: 03/10/2023

TO: House Taxation Committee

RE: Opposition to SB 248

The City of Fairway is a small town in a big city. A first ring suburb of Kansas City, our bedroom community has just over 4,000 residents. Our funding sources are currently fairly balanced between sales tax, property tax and user fees. The loss of sales tax on food would severely negatively impact the City of Fairway. Our projected losses would be more than 11% of our current sales tax revenue. This loss would represent more than 2 mills in property taxes.

The loss would be felt broadly across our community in that sales tax not only helps fund our general fund, but it also funds our debt service and our capital improvement program. In fact, sales tax is our sole dedicated funding source for the CIP fund.

Half of our sales tax (1%) goes to our general fund. Regarding the other half, our community has voted twice, each time with an approval rating of greater than 70%, to implement sales taxes for specific purposes. This half is split between funding our Debt Service Fund, Capital Improvement Fund and a bond issue for the renovation of our swimming pool and a lease/purchase and remodel of our Public Works facility.

Our community demands a high level of service. We are fortunate to entice an number of visitors from across the state line to shop in our community. If food sales tax goes away, our residents will have to largely fill the gap on their own. If we were to experience such a significant loss of sales tax, we would be forced to increase the mill levy to compensate.

Please preserve our home rule authority and sales tax revenues by not supporting SB 248.

Sincerely,

Nathan T. Nogelmeier  
City Administrator  
Fairway, KS