

# LEAGUE NEWS

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300 S.W. 8th Avenue, Topeka, KS 66603-3912 • phone: (785) 354-9565 • fax: (785) 354-4186 • www.lkm.org

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Shane Bartley, editor

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## Governor Eliminates Remaining Demand Transfers

### **\$48 Million slashed from cities and counties**

Today, Governor Graves announced budget reductions totaling \$312.1 million in order to meet the current FY 2003 budget deficit. As a part of those reductions, the Governor has **ELIMINATED** local demand transfers which were scheduled to be made through June 30, 2003. This represents a \$48 million (50%) reduction in the Local Ad Valorem Tax Reduction (LAVTR), City-County Revenue Sharing (CCRS), and Special City-County Highway Fund (SCCHF) payments. In other words, **there will be no more LAVTR, CCRS, or SCCHF payments made to cities and counties in FY 03.**

While cities and counties are being cut by 50%, state agencies are being reduced by only 3.9%. It is clear that the state budget woes are being balanced on the backs of local government. Cities and counties need to review their current budgets carefully in order to plan for the impact of this latest action.

The LKM Governing Body is currently reviewing this situation and we will keep you informed as more information becomes available.