

Testimony for SB 468 concerning property taxes

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Good morning, I had a very short window to prepare for this testimony, but I will give you as much information as I had time to gather.

First, I am testifying as an individual, not as a JoCo Commissioner, I am not representing the BOCC on this matter.

When you are working towards solving a problem, you must have information as to the extent of the problem, so I will give you some stats:

Johnson County taxing entities, through ad valorem exemptions and redirected property tax revenues, diverted over \$91 million in 2022 from public coffers. On TIF Districts in 2017 the amount was \$17.6 million in 2022 \$33.18 million. On IRBs, 2022 was \$58.04 million 2017 \$22.8 million. This does not include sales tax diverted under active TIFs.

In 2022, the total value of properties given IRBs: \$3,075,105,430
TIFs: \$2,755,615,170. Over \$5.8 billion in property value in Johnson County alone is under either an IRB exemption or a TIF redirection of tax revenues to infrastructure cost on individual projects.

SB 468 requires the cities or counties to remain revenue neutral should they give a property tax exemption, I would also include in the language property taxes diverted to include TIF districts. This is one way to awaken the taxing entities to the enormous problem they are creating with tax incentives. Every tax incentive creates a greater burden on the rest of the tax base. Someone must pay for services required and when one property does not pay its fair share, the cost is redistributed, increasing property taxes on everyone else.

The cost to JoCo is very apparent with the \$200 million TIF that was given to Panasonic. As a result of the evisceration of the tax base, the county sent \$7.5 million for the required fire station and another \$7.5 million for road improvements. There have been several IRBs granted to other projects in De Soto with another \$6.8 million project slated for a public hearing tomorrow evening, February 15th.

The underlying premise that the tax incentives increase tax receipts in the long run has been disproved in at least two Legislative Post Audit reports. The equality under the law as far as property tax collection has been shredded by this misguided corporate welfare, which is shifting more and more of the property tax burden onto existing businesses and residential properties.