

SB468

I would like to express my opposition to the proposed SB 468. I suppose if you are a stagnant community that is not experiencing any growth, this bill would not concern you. For those communities that are growing and recruiting businesses and manufacturing, this should concern you. Kansas as a whole is experiencing such growth, and extending incentives at the state level. Communities are following what they see modelled at the state level.

First, incentives such as IRB's/CID/TIF recruit businesses to your community. The downside is that they won't produce property taxes that cities and counties use to provide services for ten years. So two hotels can bring in another two hundred people into your community on any given night. Those people staying in your community expect Police/Fire/EMS/911 services. Those services come at a cost. Many communities may have to increase their mill levy to provide for those services until IRB's mature. The effect of economic growth in a community is the increase in sales tax generation that can be used to help hold down the mill levy.

Second, is the topic of LAVTR. I recently attended a town hall meeting in which I pressed the legislators on their boastful claims of a "state surplus". I explained that I could boast about a surplus in my personal budget, if I was not paying my bills in full. That is what the state has done with LAVTR. The legislators brushed aside my comments and claimed that the disbursement for western Kansas communities was very nominal. According to the website for the Kansas Association of Counties, the LAVTR disbursement for Thomas County would be \$383,000. That would equate to a 6 mill decrease in the City of Colby General budget. You then compound \$383,000 over the twenty years that LAVTR has not been funded, and you end up with \$7,660,000 that could have been used to reduce taxes in your community.

Third, is the timing of the Revenue Neutral Rate filings. Each community is essentially forced to publish a notice to exceed RNR and hold a public hearing to such, without even having the full valuation and assessment from the county due to deadlines. I don't believe the state understands just how tight municipalities strap their budgets to keep taxes as low as possible at the local level. These are just a few reasons why I would oppose SB 468.

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City of Colby