



**Senate Committee on Assessment and Taxation
Hearing on Senate Bill 468
Hearing Date – February 14, 2024**

**Written Testimony in opposition to SB 468 on behalf of the City of Manhattan
By Ron Fehr, City Manger**

Good morning, Chair Tyson, Vice Chair Peck and Honorable Members of the Senate Committee on Assessment and Taxation.

The City of Manhattan opposes SB 468 which would prohibit cities granting or approving certain property tax exemptions or tax increment financing (TIF) from exceeding their revenue neutral rate (RNR) for property tax purposes.

- The City of Manhattan opposes this legislation as it is harmful to cities, businesses, and residents. These important economic development tools are essential to increasing economic vitality, retaining current manufacturers, and spurring growth within communities across Kansas. If passed, cities will be forced to choose between the economic vitality of their community or raising sufficient property tax revenues for maintaining essential public services.
- Manhattan currently has an active TIF district within our Aggieville Business District and recently approved an intent to issue Industrial Revenue Bonds (IRBs) for a new privately funded roughly \$100 million mixed-use development within the district, estimated to bring in over 115,000 square feet of new office, retail, residential, and public space in addition to public infrastructure improvements. Without these tools, the city would have lost out on attracting new jobs and residents to the community but also forfeited an increase to the property tax revenue in the community.
- IRBs are not only utilized by local governments, but non-profits alike. Non-profits in Manhattan have utilized IRBs to develop new independent senior living facilities and care opportunities in Manhattan, significantly contributing the quality of life for our residents.
- The root of the RNR process is to create transparency and accountability for property tax purposes. Tying any economic incentive programs usage to the RNR process undermines its purpose and is a bad precedent.
- Decisions related to economic incentives and property tax revenues should be made by local residents and their locally elected officials, not through state mandated legislation.

For all the reasons stated above, the City of Manhattan opposes SB 468, and asks the Committee to reject consideration of this legislation. Thank you for your time and consideration.