

Date: February 12, 2024  
To: Chair Caryn Tyson and Senate Committee on Assessment and Taxation Members  
From: Beth Linn, City Administrator  
Re: Written Only -Testimony in Opposition to SB 468

As you consider Senate Bill 468, the City of Edgerton respectfully requests that you reject this overreaching legislation. Since 2014, the City of Edgerton has successfully used property tax exemptions in the form of Industrial Revenue Bonds and Tax Increment Financing Districts to bring dozens of businesses and hundreds of millions of dollars in revenue to the State of Kansas.

A study completed by Wichita State University's Center for Economic Development and Research in 2021 found that Logistics Park Kansas City and the logistics cluster in Northeast Kansas directly represents 1.6% of the entire Kansas economy and supports 3.4% of the state's overall economic activity. This sector, according to the study authors, "was estimated to create \$221.1 million dollars to state and local government entities in a single year....[with] significant spillover effect on the state economy and local governments."

The City of Edgerton during that same period has reduced our mill rate by over 25%. Our tax burden has shifted off our homeowners and onto the business community. However, as the cost of goods, labor and services continues to rise, these costs cannot be absorbed indefinitely.

This legislation would mean that the City could not collect additional revenue from new growth or as the tax abatements roll off simply because we have IRBs or TIF Districts. This puts an undue burden on our residents who should be seeing increased services because of the additional tax dollars that the legislature would arbitrarily limit the City from collecting. Requiring cities to adhere to the Revenue Neutral Rate takes away our citizens rights to decide how and where our local tax dollars are raised and spent.

While some would argue that economic incentives do not work, we have evidence to the contrary. Because of LPKC, roughly 5,000 people now have good paying jobs making an average starting wage of \$20 per hour that are spending their hard-earned income buying homes or renting properties, buying goods, and engaging services of small businesses across the region. The twenty-nine logistics firms within the Kansas City logistics park were estimated to have a total output of \$1.14 billion dollars in 2020, per the WSU study. That same study found that LPKC contributed \$539,030,044 in labor income statewide with a total spillover effect of more than \$2 billion dollars.

We understand the desire to reduce the property tax burden on homeowners. We want to do the same. No one enjoys paying taxes. However, SB 468 is not the answer. This bill will only compound the problems for local governments and ultimately the state as we try to attract new businesses to offset the ever-increasing cost of maintaining critical infrastructure and providing our citizens with the services they require. For these reasons, we ask you to reject SB 468.