



Written Opposition Testimony Submitted to the
Senate Tax Committee
14 February 2024

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City of Derby

Written Testimony In Opposition to SB 468

Chairwoman Tyson, Vice-Chairman Peck and Ranking Member Holland, thank you for the opportunity to provide comment on the impact of SB 468 to our community.

Derby is one of the fastest growing Kansas communities and we have worked hard in recent decades to provide new economic opportunities for our residents and future residents along with vibrant services and amenities that have attracted new citizens, business and industry, all while being cognizant of the property tax burden on our residents.

SB 468, as written, would severely limit the capabilities of the economic development tools at our disposal. Connecting incentives for private business to a property tax rate is in direct conflict to the many economic gains that Kansas, and Derby, has seen in recent years. Kansas communities are not competing against each other. We are competing for new growth against cities around the Midwest and the United States. Those communities will continue to enjoy the full benefit of economic development tools afforded to them, and if SB 468 is enacted as written, our communities will be put at a competitive disadvantage. The ability to make a decision locally that best meets the need of our respective community to determine the most appropriate economic development tool for specific projects is critical.

Tax abatements, industrial revenue bonds (IRBs) or Tax Increment Financing (TIF) are the main economic development instruments utilized when working with businesses, developers or community leaders on new projects. Most recently Derby has had success with BG Automation adding to their facility and adding several quality jobs through a partnership using tax abatements and IRBs. SB 468 would prohibit any City from deploying these tools if doing so causes the state Revenue Neutral Rate to be exceeded. Those two things should not impact each other. Derby City Council has worked hard to maintain a stable mill levy in a growing community with many needs. Council has even lowered the mill levy each year since 2021.

The direct consequence if SB 468 were to be enacted is reduction in the use of tax abatements, IRBs and TIF designations and thus a reduction in the number of new economic growth opportunities for Derby and other Kansas communities, ultimately hurting the State of Kansas.

Thank you for the opportunity to provide comment on our concern with SB 468 as currently written.