



Kansas Senate Committee on Assessment and Taxation

February 14, 2024

Opposition testimony to Senate Bill 468

Madam Chair and members of the Committee, the Manhattan Area Chamber of Commerce, representing nearly 1,000 businesses appreciates the opportunity to express our strong concern, related to Senate Bill 468.

We believe this measure would have a detrimental impact on our economic development activities, specifically targeting a pair of tools used for the advancement of our communities. TIFs and IRBs allow local municipalities to be able to invest in projects with a guaranteed return on investment.

Options like the TIF District are valuable to these projects, as they allow for a portion of their property taxes to be allocated for improvements such as infrastructure, parking lots, street pavements and related maintenance. Having mechanisms to encourage the development of select parts of our communities is crucial.

Under our interpretation, the bill would clearly tie the hands of communities in their ability to attract new corporate investment and jobs. As you know, trying to attract investment is incredibly competitive and tools like IRBs and TIF districts help cities in Kansas compete with cities across the country for jobs.

Another key component that may be missing from the dialogue is that, if passed, this bill would likely stop any city in Kansas from providing these types of incentives that are offered in all of our neighboring states.

If that happens, more of the financial burden of being competitive for economic development and corporate investment will fall to the State of Kansas. An example of this is in Oklahoma where the state constitution forbids local governments from abating taxes. To be competitive, the state must reimburse the company/local governing boards to provide this incentive, costing the State of Oklahoma millions of dollars each year.

Thank you again for considering our concerns, and we strongly encourage the Committee to elect not to move this proposal forward.

Respectfully submitted,

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