

Dear Honorable Members of the Senate Assessment and Taxation Committee,

I write to you today as a concerned citizen and community leader to express my strong opposition to Senate Bill 468, which seeks to restrict the use of Tax Abatements, Industrial Revenue Bonds (IRBs), and Tax Increment Financing (TIF) districts by tying them to the Revenue Neutral Rate (RNR). This legislation, if passed, would undermine the economic development efforts of cities, harm businesses, and adversely affect citizens throughout Kansas.

### **Economic Development Impact**

The tools targeted by SB 468 are critical for fostering economic development within our communities. Cities leverage these instruments to attract and retain businesses, encourage redevelopment, and stimulate job creation. By limiting the use of these tools through the RNR, we risk stifling growth and innovation, making Kansas less competitive in attracting new investments and opportunities.

### **Harm to Cities and Businesses**

For cities, the ability to offer tax abatements, IRBs, and TIF districts is essential for facilitating development projects that might not otherwise be viable. These projects often lead to revitalized areas, increased employment, and enhanced local services. For businesses, these tools reduce the upfront costs of development and expansion projects, making it feasible to undertake ventures that contribute to the community's economic vibrancy. Non-profit entities, which frequently utilize IRBs for their projects, would also face significant challenges under SB 468.

### **Undermining Revenue Neutral Rate Objectives**

The Revenue Neutral Rate was established to increase transparency and accountability in the property tax process. By linking the utilization of economic incentive programs to the RNR, SB 468 contradicts the original purpose of the RNR and sets a dangerous precedent. This linkage could deter cities from pursuing beneficial development projects, diminishing the overall economic health of our communities.

### **Call to Action for Business Community Partners**

It is crucial that the committee hears not only from city representatives but also from the businesses that directly benefit from these economic development tools. The experiences of these entities highlight the importance of maintaining flexibility in economic incentives, which are pivotal for fostering partnerships between businesses and cities.

### **Conclusion**

In light of the above concerns, I urge the members of the Senate Assessment and Taxation Committee to vote NO on SB 468. Preserving the full suite of economic development tools is essential for the continued growth and prosperity of Kansas communities. We must not hinder our collective ability to pursue opportunities that benefit our cities, businesses, and citizens alike.

Thank you for considering my testimony on this critical issue. I hope you will recognize the detrimental impacts of SB 468 and act to protect the economic future of Kansas.

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