

Proponent Testimony - HB 2518

Oppose Benefits Districts in Kansas

I stand in opposition to any Residential Benefit Districts being initiated in the state of Kansas. These are my reasons:

1. I believe developers should pay the costs for roads, sewers, utilities, or other infrastructure in building new homes. Benefit districts should not be used to transfer costs from the developer and the city to the homeowner. The proposed extension of College Blvd in Olathe was an example of this. This major thoroughfare should never have been considered for a benefit district charged to those who live near it. It is comparable to charging only those living near I70 for its construction. Major thoroughfares are the government's responsibility. Secondary roads in new developments are the developer's responsibility.

2. When benefit districts are utilized homeowners suffer by having to pay extra taxes on top of what they already pay, which includes City Sales Tax and Property Tax. I consider this a triple tax. It is a loophole to escape payment by those who should pay.

3. Benefit districts harm the resale value of a home. When a home is attached a 20-year tax assessment the property is more difficult to sell. In addition, buyers can frequently move to a nearby community and buy the same house with no extra benefit district tax.

4. A benefit district is essentially a gift from unsuspecting homebuyers to multi-millionaire developers and government entities.

5 Communities and developers have poorly communicated with new subdivisions, and those close to where new roads and sewers are to be built, that they will be in a proposed Benefit District Area. This places the homeowner at a significant disadvantage in calculating real costs. It is a form of "cost hiding".

6. The process of creating benefit districts is flawed. It typically does not require participation by affected homeowners with city staff. This is particularly true when the city staff meets solely with developers to hash out the details of a benefit district. Affected homeowners have little to no input.

7. The system which currently allows benefit districts to be initiated by a single majority landowner is not fair. Rather, a benefit district should only occur when a super majority of typical homeowners are confident that it is in their best interest to proceed with one. It could, without significant exaggeration, be considered a form of taxation without representation.

8. Most local cities and jurisdictions in Johnson County no longer utilize benefit districts. Those that do use benefit districts place the affected homeowners at a distinct and unfair disadvantage.

Respectfully,

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