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American Council of Engineering Companies
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TESTIMONY

TO: SENATE COMMITTEE ON ASSESSMENT AND TAXATION

FROM: SCOTT HEIDNER
EXECUTIVE DIRECTOR, AMERICAN COUNCIL OF ENGINEERING
COMPANIES OF KANSAS (ACEC KANSAS)

REFERENCE: SB 316

DATE: MARCH 9, 2016

Chairman Donovan and Members of the Senate Committee on Assessment and Taxation, thank you for the opportunity to submit written testimony from the American Council of Engineering Companies (ACEC) of Kansas. ACEC Kansas is the trade organization representing private consulting engineering businesses. Our focus is to promote and protect the business interests of Kansas engineering firms and their ability to serve their clients. ACEC Kansas is submitting testimony in opposition to Senate Bill (SB) 316, which removes several exemptions from the impending property tax lid on local units of government.

Of concern to our members is removal of the property tax lid exemption for infrastructure improvements and road construction. Removal of the exemption imposes the lid on capital improvement projects and programs for local units of government. It creates uncertainty for cities and counties to plan for the future. In turn, it creates business uncertainty. A tax lid will limit the ability to fund programs and projects to maintain aging systems as well as spur economic growth by expanding existing infrastructure. Well-maintained, efficient infrastructure systems are the foundation of a vibrant, growing economy and a key factor for businesses considering relocation or expansion.

Specific to ACEC Kansas members, their success relies heavily on providing professional engineering services to the public sector such as cities and counties. Their engineering services improve and enhance local infrastructure such as roads, bridges, airports, water treatment and distribution systems, flood reduction, storm-water systems, sanitary sewer treatment and pipe systems, and other public buildings and amenities. ACEC Kansas member firms' ability to grow their companies and create jobs is driven by a need for their professional services.



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The cumulative effect of revenue sweeps from current infrastructure programs coupled with a property tax lid significantly inhibits local and statewide economic growth and caps our members', and businesses' in general, ability to create new jobs.

For these reasons, we urge you to oppose SB 316. Thank you for your consideration.