



Kansas Economic Progress Council
Suite 200
212 West 8th
Topeka, Kansas 66603

Submitted Testimony on Senate Bill 316
Senate Assessment and Taxation Committee
Bernie Koch, Kansas Economic Progress Council
March 9, 2016

Mr. Chairman and members of the committee, thank you for the opportunity to submit written testimony in opposition to Senate Bill 316. The Kansas Economic Progress Council is a not for profit membership organization of businesses and individuals interested in advancing sound public policy in Kansas to enhance our state's quality of life.

Reliable mainstream economic research tells us that reliable legal systems and the investment rate in infrastructure have a significant impact on economic growth.

Reliable legal systems provide dependable enforcement of private contracts, protection of private property rights, and effective law enforcement. Local government is significantly important to providing reliable legal systems through law enforcement and the courts.

Likewise, infrastructure investment has a strong positive impact on growth. Infrastructure can be viewed as an extension of the equipment used by business to be more productive, except that private business itself does not provide the infrastructure. Government does. Local government provides roads, bridges, water systems, sewer systems, and often regulates public and private utilities necessary to a functioning economy.

Because government stability in revenue and services is a strong foundation of business growth, S.B. 316's limitation on the ability of government to provide services and infrastructure is troubling.

Senate Bill 316 eliminates exemptions from the tax lid for the cost of new infrastructure/improvements, costs for road construction previously approved, legal judgments or legal defense costs, and new expenditures mandated by federal or state law.

KEPC supports local control by local elected officials. As such, we oppose proposals that cap or artificially restrain local spending and revenue growth. We urge repeal of the property tax limitation passed in 2015. It is flawed, unworkable, and a barrier to successful community economic development efforts.

Thank you for your consideration of our position in opposition to Senate Bill 316.

Bernie Koch
Executive Director
(316) 207-3380