



**Senate Ways and Means Committee**  
**Written Comments on Opposition to SB 316—Property Tax Lid**  
**March 8, 2016**

Chairman Donovan and honorable committee members,

The Olathe Chamber of Commerce is the largest chamber in Johnson County and the second largest chamber in the Kansas City area. Comprised of 1,300 members and growing, it was the first chamber in the state to receive 5-Star Accreditation from the U.S. Chamber of Commerce – a designation obtained by less than 1 percent of the nation’s chambers. Its mission is to be the voice of business that advances the economic well-being and quality of life in Olathe.

As the Olathe Chamber’s CEO, I am submitting written comments in opposition to the passage of SB 316, which proposes to move up the implementation date of the property tax lid to July 2016, as well as remove key exceptions negotiated last year. Our members are specifically concerned with removing the exceptions that allow local governments to increase the budget for costs associated with new infrastructure or improvements as well as costs associated with road construction. While our members appreciate concerns of rising property tax, they do not support the passage of SB 316 because it ties the hands of local communities from being able to determine, implement and prioritize their own funding needs. Specifically, our members are concerned for the following reasons:

- **Removing the exemptions for bonded indebtedness and increased valuation from growth will stifle economic development and growth in Kansas.** The largest developer building warehouses in Johnson County has said implementation of the property tax lid “will be a gift to Missouri.” Our members are asking why local governments would issue bonds and construct infrastructure for growth if they know there is no attached revenue stream to pay the bonds they must issue for that investment.
- **The tax lid will hurt the market for new housing development.** A tax lid will encourage cities to not issue debt for new infrastructure because they will not have assurance they will have the necessary revenue to pay for the bonds.
- **Cities will not support growth that adds to the demand for services without some assurance that revenue growth can pay for them.** Under current proposals, the costs associated with infrastructure and increasing services is expanding at a substantially higher rate than CPI, and therefore, cities will not be able to fund the needed services adequately.

- **The public vote provision does not protect current taxpayers if growth occurs.** The public vote only guarantees the new revenue stream for one year, but issuing bonds and increasing service levels are multi-year commitments. Local governments, in good conscience, cannot expose themselves to this type of risk.
- **Limiting funding through the cap will have a direct impact on quality of life issues, which is an important component to selling homes and building communities.** Placing a property tax lid again ties the hands of the local elected officials. Less revenue for street and sidewalk maintenance. Less revenue for parks and greenspace. Less revenue for maintenance and landscaping.

These are a few of the concerns our members have regarding the implementation of the property tax lid and passage of SB 316. While the intentions to control and maintain property taxes are popular for campaigns, they will substantially limit our City's ability to invest, grow our community and distinguish itself from other communities.

Thank you for the opportunity to submit our opposition to SB 316. If you should have any questions, please feel free to contact me at 913.764.1050.



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