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Date: February 21, 2023
To: Chairwoman Tyson and the Senate Committee on Assessment & Taxation
From: Michael Koss – City of Overland Park
Re: Written Testimony in Opposition to SB 252

Thank you for allowing the City of Overland Park to submit testimony in opposition to SB 252. This legislation would create practically unlimited property and sales tax exemptions, cause a flood of property valuation litigation, and devastate the budgets of local governments across Kansas.

SB 252 would create a property tax and sales tax exemptions for businesses in counties where public facilities sell the same products and services as those businesses. This incredibly broad bill would create property and sales tax exemptions for all fitness centers in counties with publicly owned fitness centers; all golf courses in counties with a public golf course; and an extensive number of other businesses that may be able to argue they have to “compete against” a governmental entity. In Johnson County, every restaurant would be eligible for a property tax exemption because a few public golf courses have restaurants at their clubhouses. These broad exemptions would make it very difficult to fund local government services across the state.

Another result of this bill is that Kansas courts will be flooded with litigation between businesses and counties disputing the overly broad definitions in SB 252, such as what constitutes offering “substantially the same goods or services.” Such disruption is poor public policy and Kansas taxpayers should not have to assume the costs of legal fees resulting from ambiguous legislation.

In addition, if SB 252 is adopted it would dramatically shift the property tax burden from businesses to residential property owners. The City does not think it is fair that Kansas homeowners should bear a disproportionate burden of the property taxes necessary to fund public services.

Finally, SB 252 promotes bad public policy by damaging the finances of municipalities that have done nothing to trigger that damage. For example, under SB 252 Overland Park’s property tax base would narrow by exempting all childcare centers in the city simply if there was one public child care center in Gardner.

Thank you for allowing the City to testify on this legislation. We respectfully request that the Committee not advance SB 252 to the full Senate for approval.