

Finney County Economic Development Corporation

**TESTIMONY
SENATE COMMITTEE ON ASSESSMENT AND TAXATION
SB 468**

By: Steven F. Cottrell, P.E., Director of Special Projects, Finney County Economic Development Corporation
On behalf of Finney County Economic Development Corporation
February 14, 2024
Opposition

Chair Tyson and Members of the Committee,

Thank you for the opportunity to submit written testimony on behalf of the Finney County Economic Development Corporation in opposition to SB 468, which seeks to prohibit exceeding the Revenue Neutral Rate in cities that use Industrial Revenue Bonds and Tax Increment Financing Districts, including RHIDs.

The City of Garden City has grown significantly since 2007, with most of that growth taking place after 2010 when the City began more actively using tax increment financing tools to help private developers facilitate the cost of expanding City infrastructure. Without such tools, growth in Garden City had slowed considerably.

Since 2007, the City's corporate limits have grown 28.7% resulting in a 101% growth in City valuation. As the tax increment tools begin to complete their reimbursement of eligible infrastructure costs, new property tax revenues have been developed that benefit not only the City of Garden City, but also Finney County, USD 457 and Garden City Community College. This will lessen the property tax burden on property owners for all four taxing entities. Much of the growth resulting from the use of tax increment financing tools has helped generate new sales tax revenues and have increased Garden City's position as the retail hub of southwest Kansas to the point that our primary trade area population has grown to nearly 300,000 shown on the attached map prepared by FCEDC's Director of Analytics, and extends into southeast Colorado, the Oklahoma and Texas panhandles, and southwest Nebraska.

Garden City, Holcomb, and Finney County continue to see high demand for housing, with an estimated need for 3,000 dwelling units by 2030. Housing projects are not financially viable without the use of the RHID tax increment tool. SB 468 would create a disincentive to use the RHID tool, further increasing the demand for and shortage of housing, especially in a city such as Garden City in desperate need for housing.

If this Committee is interested in meeting needs for housing across Kansas and developing new industrial, commercial, and residential properties in Kansas, I encourage you to reject SB 468 in its entirety.

Respectfully submitted,



Steven F. Cottrell, P.E.
Director of Special Projects

