



Written Only Testimony in Opposition to SB 468
Mitch Robinson, President
February 14, 2024

Chair Tyson and Honorable Committee Members,

Thank you for allowing the Kansas Economic Development Alliance (KEDA) to provide testimony in opposition to SB 468. We believe this proposed legislation would have a significant negative impact on economic development activities and opportunities in communities across the state who work hard daily to recruit new businesses and serve those who already call Kansas their home. Tax abatements, industrial revenue bonds or TIF designations are tools of economic development commonly used to accomplish this work. They are valuable tools that support projects which add jobs and capital investment in our communities and the state. They are also self-funding mechanisms that use a portion of the tax revenue generated by the new project to pay for improvements such as infrastructure, parking lots, roads and streets and other essential project components.

The prohibition of cities from exceeding the Revenue Neutral Rate while using these tools is a major feature of SB 468 and harms economic development opportunities, businesses and non-profits in Kansas communities. SB 468 would force local governments to choose between losing jobs and economic benefit producing opportunities, or not exceeding the revenue neutral rate (RNR). Forcing local governmental units to choose between losing jobs and economic opportunities or raising property taxes which are insufficient to maintain important infrastructure and services does not seem to be sound public policy. Such decisions should be made locally by local elected officials who represent their neighbors and community, and not by the state.

Citizens expect local government's ability to focus on managing mill levies and provide adequate services to be maximized. To meet this expectation, economic development professionals work to increase the tax base and ensure local businesses are provided tools for growth. Tax abatements, industrial revenue bonds or TIF designations all need to be utilized to create healthy economic conditions in communities. Increased revenues for cities lead to an increased quality of life.

As a statewide economic development organization, we focus on improving the economic and employment conditions in our communities which ultimately improves the state as a whole. Having access to these tools, and the ability to use them in a manner that is responsive to market conditions and economic realities, makes us more attractive to both instate and outside business opportunities and ensures the state of Kansas remains competitive on a regional and national basis.

Kansas economic development professionals compete with their colleagues from surrounding states and across the nation as they express the benefits of operating in Kansas' welcoming business climate. Every effort needs to be made to ensure these professionals can perform their duties without restrictions their colleagues in other states do not have to endure. The recent wealth of business expansion and relocation experienced in Kansas illustrates the need to continue to utilize the tools at our economic development professionals' disposal. Do not enliven other states' business activity by inhibiting growth in Kansas communities through passage of SB 468.