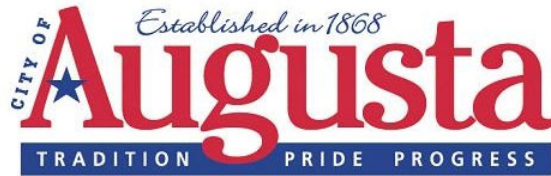


Mike Rawlings  
Mayor

*City Council Members*

Eric Birk  
Michael Martin  
Bob Bailey  
Shane Scott  
Shawn Davis  
Kip Richardson  
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Josh Shaw  
City Manager  
Kamme Sroufe  
Assistant City Manager  
Erica Jones  
City Clerk/Finance Director  
Todd Ackerman  
Public Safety Director  
Cesario Rodriguez  
Human Resources Manager  
Tim Johnson  
Utilities Director

Date: February 12, 2024  
To: Senate Assessment and Taxation Committee  
From: Josh Shaw, City Manager, Augusta, KS  
Re: SB 468 – Written Opponent Testimony

Thank you, Chairperson and Committee, for allowing me to submit testimony on SB 468. The City of Augusta is opposed to this legislation because it is a fundamentally flawed bill.

SB 468 is flawed for the following reasons:

- SB 468 does not respect constitutional home rule for municipalities. The current Revenue Neutral Rate (RNR) legislation encourages transparency regarding property taxation while still recognizing home rule authority by allowing local elected bodies to vote publicly to exceed the RNR. This new legislation takes local decision-making out of the hands of local officials.
- Not only does this SB 468 defy constitutional home rule, but it does so for an arbitrary reason: because a city utilized tax incentive tools that were created by legislators and are legal under Kansas statutes. So, SB 468 “rewards” cities for following the laws of the State of Kansas by stripping them of authority over their local affairs as granted to them by the Kansas Constitution? This is arbitrary and nonsensical.
- Expanding a city’s tax base is one of the few ways of keeping the local property tax rate down. Property tax incentives like IRBs and TIF districts are key tools that cities use to attract new development to grow their property tax base over time. SB 468 discourages use of these tools and will have a chilling effect on economic development efforts, which in turn, will only make the demand on property taxes greater.
- For demonstration purposes, the City of Augusta issued industrial revenue bonds (IRBs) for a Comfort Inn & Suites hotel project in the 2015 timeframe that exempted the facility from property taxes for 10 years. The tax incentives were a determining factor in whether the developer would construct the hotel. The hotel was built in a location that did not require any new public roadways or other tax-supported infrastructure improvements, so the demand on existing property taxes was negligible. When the hotel comes back on the tax roles in the 2025 timeframe, the \$3.49 million property valuation will generate \$141,605 annually for all taxing entities, of which \$50,539.65 will come back to the City of Augusta. The expansion in tax base from this single project has an annual impact to our city of 0.633 mills, which is equivalent to a 1.09% mill levy reduction. Had SB 468 been in place in 2015, it likely would have killed this project.

For these reasons, I ask the Committee **not** to pass SB 468 out of committee. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink that reads "Josh Shaw". The signature is written in a cursive, flowing style.

Josh Shaw  
City Manager  
Augusta, KS