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Testimony Before The  
Senate Commerce Committee  
Regarding STAR bonds and Tax-Increment Financing  
Senate Bill 316  
Submitted by Erik Sartorius

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The City of Overland Park appreciates the opportunity to appear before the committee and present testimony supporting reauthorization of STAR bonds and the effort to separate statutes governing STAR bonds and tax-increment financing (TIF).

As this committee well knows, STAR bonds are an economic tool that can help communities bring to fruition projects that could not be accomplished without the partnership of the state. Overland Park has explored potential projects involving STAR bonds, but to date has not completed any projects.

Over the last several years, the legislature has closely scrutinized the concept of STAR bonds, and has refined the law to limit the use of STAR bonds. Potential projects now also are subjected to increased analysis as to their feasibility and effect on surrounding communities.

The City asks the legislature to proceed cautiously as it reviews the STAR bonds statute and considers possible changes. The statute has been altered repeatedly, and the frequent changes present a challenge to cities, developers, and state agencies as to how the law would be applied to potential projects.

Splitting the STAR bonds statute from laws governing tax-increment financing is a laudable effort. Adding clarity to both of these economic development tools should make their use easier and more straightforward.

One particular area in need of clarification in the tax-increment financing law has to do with parking facilities. We understand the City of Lenexa will be offering an amendment clarifying that “parking facilities” would also include “multilevel parking structures.” We are supportive of this amendment, and as other amendments are proposed for STAR bonds and TIF, the City may weigh in on those proposals, as well.

We look forward to working with the committee as various amendments are considered for Senate Bill 316. A proper balance between oversight and flexibility for communities utilizing STAR bonds should be a goal for the legislature and cities alike.