

**Testimony from Edgerton, Kansas**  
Before the Senate Committee on Assessment and Taxation  
on **Senate Bill No. 294**

February 5, 2020

Chairperson Tyson and Members of the Committee:

The City of Edgerton thanks you for the opportunity to provide testimony on Senate Bill 294. The City respectfully opposes this legislation due to its overly burdensome requirements and potential to damage the growth and future prosperity of Edgerton and other towns and cities across the state. It is a fundamentally flawed bill.

Last December, the Tax Foundation recommended that Kansas repeal the tax lid and adopt the Utah model of Truth-In-Taxation. However, Senate Bill 294 is not the Utah model. Utah's model allows for new growth to be captured, and unlike the recommendation from the Tax Foundation, this bill does not repeal the tax lid.

Edgerton has seen unprecedented growth over the last decade with economic boom from BNSF Railway's Intermodal Facility and the development of Logistics Park Kansas City (LPKC). With that growth, the City has increased services and added infrastructure to support the nearly two dozen companies and 4,500 workers in LPKC. The City uses tax incentives and abatements to attract new companies and thousands of jobs to our corner of Johnson County. Senate Bill 294 would be detrimental to Edgerton because it does not offer any exemptions for new growth or expiring abatements, like those that will be rolling off many of the buildings in LPKC over the next decade.

Edgerton regularly competes with other cities around the country, including Chicago, Columbus, Pittsburgh, and Dallas, for economic development projects. Senate Bill 294 would impede our ability to fairly vie for those projects. In 2018, Edgerton was responsible for \$6,388,200 in new annual income taxes thanks to companies choosing to locate here. Senate Bill 294 does not allow the City or the State of Kansas to capture the tax revenue from that growth.

Senate Bill 294 also does not offer an exemption for Law Enforcement, Fire or EMS services. Edgerton recently added a Community Policing Officer to our contract with the Johnson County Sheriff's Office. As the community continues to grow, our City wants to be able to offer our residents the quality safety services that they demand without onerous and costly red tape.

There are currently nine taxing entities in Edgerton alone. Because only one taxing entity can have a Truth-In-Taxation hearing at a time under Senate Bill 294, this would create a conundrum for County Clerks who would have to determine which entity is allowed to hold its hearing and could raise questions about preferential treatment for certain taxing jurisdictions.

Senate Bill 294 also requires taxing jurisdictions to reimburse the County Clerk for mailing out notices to property owners informing them about the potential property tax increase. The cost of these mailings could cost Edgerton more than the tax increase would net. The proposed legislation also requires any excess tax revenue to be returned to taxpayers. The cost of mailing again could exceed the refund and actually cost taxpayers.

If Senate Bill 294 were to pass, the Truth-In-Taxation process does not work with our current tax lid. This legislation does not provide a repeal of the tax lid.

Edgerton uses tax revenue very carefully and very thoughtfully, so further limiting the City's ability to collect tax dollars will only hamper our ability to provide needed services to our community. Over 82% of Kansans live in an incorporated city, so the prosperity of Kansas is absolutely dependent on the prosperity of its cities. For these reasons, we ask the Committee not to pass Senate Bill 294 out of committee. Thank you for your consideration.

Respectfully,



Beth Linn, City Administrator