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Proponent HB 2518

January 31, 2022

Dear Chairman Thompson and members of the committee,

We are writing to support HB 2518.

We currently live in Cedar Creek in Olathe, KS. While we are familiar with benefit districts (BD) in other areas of Kansas, but we have been absolutely shocked to observe the abuse of their use in two of the neighborhoods of Cedar Creek, Olathe, KS.

In addition to these two neighborhoods, the City of Olathe attempted to place an historically high BD tax on existing households in Cedar Creek which had already previously been subject to a prior benefit district. These neighbors in essence lawyered up and were able to thwart the unfair quadruple tax, but homeowners in the other two neighborhoods were not as lucky.

These benefit districts are being utilized in questionable ways. First, there is a lack of disclosure. The City put the sign for the BD miles away from the neighborhood entrances. Neighbors were consistently not informed specifically of these taxes or their extremely high amounts by the developer group's real estate company. In fact, the 2008 benefit district in question did not show up on title searches, and the title companies stated they will not until a BD is "activated". This allowed the developer the ability to sell dozens of houses prior to activation. Since the BD was not activated until many homeowners had already moved in, people were shocked to receive bills in excess of \$13-14,000.

Second, there is no equitable distribution of BD taxes. Within any given block, certain houses are completely left out of the BD. Sometimes only half of a lot is in the BD. An educated guess might lead one to believe this is due to landowner percentage requirements under current state law.

Third, the City of Olathe is in essence using a developer to put in an arterial road the City should be obligated for and charge the cost to unsuspecting homebuyers. These roads have three things in common:

- They allow the developer the ability to receive monies up front, tax and interest free to build a road in order to build more houses.
- These are roads the homebuyers will unlikely ever use.
- The City of Olathe avoids paying for roads which developers and other cities in Kansas take responsibility for as the City reaps the reward of more households paying high property taxes.

These loopholes need to end. These homeowners are effectively being triple taxed without representation.

Although HB 2518 will not solve all of the exploited loopholes, the bill is a step in the right direction.

Vote yes for HB 2518. Give Kansans the right to make informed decisions when purchasing their biggest investment.

Thank you.

Michael and Mary Jo Sedlacek
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