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February 12, 2024

Seante Assessment and Taxation Committee

RE: SB 468

Dear Committee Members,

I am writing to urge you to vote NO on SB 468 which states that any city that would utilize Industrial Revenue Bonds, Tax Increment Financing districts and/or Tax Abatements beginning in 2025 would not be allowed to exceed the Revenue Neutral Rate.

There are numerous reasons why this is a bad idea among them are these:

- The Revenue Neutral Rate was created to enhance accuracy as it relates to property taxes, and it gives property owners and the general public more information about the mill levy process and the property tax process. Combining other things to the RNR defeats that process.
- Tax abatements, industrial revenue bonds and TIF districts are heavily used to draw and retain businesses into communities that utilize these tools to improve the quality of life for their residents. Taking away these incentives by tying them to the RNR defeats the whole purpose of having them in the first place.
- Ultimately, this bill will hurt businesses. Cities will be less inclined to use the incentives because of the impact they will have on the Revenue Neutral Rate. This bill discourages businesses from growing. The business community will lose out on the tools they are getting to help develop their businesses which benefits everyone by drawing more economic development and reduces tax burdens for residents. Businesses that are allowed to grow and expand pay other business taxes and bring jobs to the community.
- In a small community such as ours, the negative effects of banning business incentives will destroy any tax base we currently have. Our budget is very small, \$140,000.00 this year. We've been working hard to increase our tax base without placing undue burden on our residents. Some of the success we've had is due to having an RHID which has brought in additional housing and boosted our bottom line through property taxes.

Again, I urge you to vote NO on SB 468.

Thank you for the opportunity to submit testimony.

Respectfully,

Jeannie Johnson  
City Clerk, Olsburg, Kansas



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