

I am writing to support HB 2518.

I agree completely with the assessment below from Lisa K. Studtmann. I became involved with the Stop Benefit District movement in 2017 when the KC Star featured a proposal to expand Cedar Creek Parkway south past the Shadow Glen Country Club to College and realized that my home built in the 1990s would be subject to a 20K+ tax to build this new road even though I had no practical use for it. As a homeowner, I was completely unaware that a single developer could coordinate with a city to tax hundreds of homeowners for new development that only benefits the developer and city. While the City of Olathe did make changes due to the pressure from our group it is only a matter of time before this issue comes up again unless action is taken at the State level to ensure this homeowner abuse never happens again.

From Lisa:

I currently live in Cedar Creek in Olathe, KS. While familiar with benefit districts (BD) in other areas of Kansas and accepting them as a fact of life, I have been absolutely shocked to observe what I would call their abuse in 2 neighborhoods of Cedar Creek, Olathe, KS.

In addition to these 2 neighborhoods the City of Olathe attempted to place an historically high BD tax on existing households in Cedar Creek which had previously been subject to a benefit district. These neighbors in essence lawyered up and were able to thwart the unfair quadruple tax, but homeowners in the other 2 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 3 things in common:

1. They allow the developer the ability to receive up front and tax and interest free money to build a road in order to build more houses.

2. These are roads the homebuyers will unlikely ever use.

3. 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.

Steve Daniels - Cedar Glen I HOA Representative
Cedar Creek Community

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