



February 12, 2024

To: Kansas Senate Assessment and Taxation Committee

RE: Opposition to SB 468

Honorable Members of the Kansas Senate Assessment and Taxation Committee:

We write to express opposition to Senate Bill 468, which states that municipalities that utilize incentives such as Industrial Revenue Bonds, Tax Increment Financing districts and/or tax abatements beginning in 2025 would not be allowed to exceed the Revenue Neutral Rate.

Such a measure would effectively prevent cities from using these important economic development tools, as the restraint on their budgets would be too great.

These incentives are effective in bringing new businesses into rural areas, keep Kansas cities competitive with surrounding states, and can help nonprofits that qualify as well. Growing the local and Kansas economies takes a multi-faceted approach, and cities need all the tools available.

The Newton Area Chamber of Commerce and Harvey County Economic Development each have written letters expressing their support for keeping these economic incentives separate from the taxation process and emphasize the negative impact this proposal would have. Passing this bill as written would jeopardize impactful economic development projects in Kansas communities and reduce our competitiveness throughout the region.

We would be happy to provide additional comments as needed or requested and thank you for your time in receiving our stance on this matter.

Sincerely,

Rod Kreie, Mayor
Daniela Rivas, City Manager

cc: Chris Towle, City Attorney
Denise Duerksen, City Clerk