

TO: Senate Committee on Assessment and Taxation

FROM: Matt Rehder
City Administrator
City of Iola

SUBJECT: Written Testimony in Opposition to Senate Bill 468

DATE: February 12, 2024

Chairwoman Tyson and Members of the Senate Committee on Assessment and Taxation:

My name is Matt Rehder and I am the City Administrator for the City of Iola. I write to you today in opposition to Senate Bill 468 which requires cities that utilize various economic development tools, such as Industrial Revenue Bonds, Tax Increment Financing Districts, and Tax Abatements, to not exceed the Revenue Neutral Rate during the next budget year.

Cities and businesses will be harmed by passing this bill. Cities use these tools for needed economic development and businesses utilize them to reduce project costs.

Right now, cities work hand-in-hand with businesses to utilize these tools. If this bill passes, the first thing cities will do is determine what kind of effect on levy budgets will the RNR have on needed services.

As a recent example, the city of Iola worked with PrairieLand Partners, LLC, a division of John Deere Inc, to issue nearly \$14 million in Industrial Revenue Bonds to finance the construction of a new facility in Iola. If this bill was in effect in 2023, the city would have had to weigh the issuance of these bonds versus cutting nearly \$238,000 from our levy funds during the next budget cycle.

I urge you to vote against this legislation. Thank you.