



TESTIMONY
SENATE COMMITTEE ON ASSESSMENT AND TAXATION

SB 468

By: Matthew C. Allen, City Manager, City of Garden City, KS

On behalf of the City of Garden City

February 14, 2024

Opposition

Chair Tyson and Members of the Committee,

Manuel F. Ortiz
Mayor

Roy Cessna
Commissioner

Bryce Landgraf
Commissioner

Tom Nguyen
Commissioner

Troy R. Unruh
Commissioner

Matthew C. Allen
City Manager

Thank you for the opportunity to submit written testimony on behalf of the City of Garden City in opposition to SB 468, which seeks to prohibit exceeding the Revenue Neutral Rate in cities that use Industrial Revenue Bonds and Tax Increment Financing Districts (including RHIDs).

The City of Garden City has grown significantly since 2007. The vast majority of the growth took place after 2010 when the City began more actively using tax increment financing tools to help private developers facilitate the cost of expanding the City's infrastructure.

The attached graphic provided by Finney County GIS shows that since 2007, the City's corporate limits have grown 28.7% and resulted in a 101% growth in overall City valuation. As the tax increment tools begin to complete their reimbursement of eligible infrastructure expenses, new property tax revenue streams will have been developed for not only the City of Garden City, but also USD457, Finney County, and Garden City Community College. This will lessen the property tax burden on all property owners across each of the four taxing entities. Much of the growth which resulted from the use of the tax increment tools helped the City develop new sales tax generation and increased the community's retail pull factor from around 1.01 to 1.43. This also helped lessen the percentage share of public safety, zoo, parks, and street maintenance expense paid from property taxes.

We continue to see high demand for housing in Garden City, Finney County, and all of Southwest Kansas. Virtually no new housing projects are financially viable without the use of the RHID (property tax increment) development tool. The State of Kansas was wise to create this tool. Adoption of SB 468 would disincentivize cities from using the RHID tool, even in an environment like ours that desperately needs housing.

If this committee is interested in meeting housing needs across Kansas and/or developing new industrial, commercial, and residential properties in Kansas, I encourage you to reject in whole SB 468.

Respectfully submitted,

Matthew C. Allen
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