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To: Chairwoman Caryn Tyson and Senate Assessment & Taxation Committee Members

From: Sean Fox, City Administrator, Park City

Date: February 12, 2024

RE WRITTEN ONLY TESTIMONY IN OPPOSITION OF SB 468 – RNR & TAX ABATEMENTS, TIF DISTRICTS AND INDUSTRIAL REVENUE BONDS

Madam Chair and Committee Members:

The City of Park City hereby expresses its concern regarding the proposed language to be incorporated into Senate Bill 468, particularly concerning limitations imposed on communities utilizing economic development incentives such as property tax exemptions, constitutional tax abatements, and tax increment financing. This legislation, by linking a city's authorization to assess property taxes with its ability to issue incentives, poses a significant threat to the sustained economic growth witnessed in the State of Kansas over recent years. The amendment to the Revenue Neutral Rate legislation appears crafted to impede further economic expansion in the state, potentially negating many of the economic development strides achieved by cities and the State of Kansas alike.

In Park City, the utilization of Industrial Revenue Bonds (IRBs) and tax abatements has been instrumental in incentivizing numerous industrial developments, including but not limited to Pratt Industries, the Kansas Coliseum, Kice Industries, Munds Energy, K&M Tires, and Southern Glazers, over the past several years. The Park City Council has diligently strived to maintain or even reduce the ad valorem rate, as evidenced by this recent year's adjustments. However, such fiscal responsibility would have been unattainable had the city been compelled to choose between securing essential revenue for core services and infrastructure investments and extending incentives to businesses eyeing relocation to Park City, many of which originate from outside the State of Kansas. These businesses not only contribute to job creation but also bolster income levels, tax revenues, and property values, thereby enriching the fabric of Park City, Sedgwick County, and Kansas as a whole.

SB468 directly undermines the growth trajectory that has distinguished locales like Park City, Kansas, in recent years, jeopardizing future expansion prospects. We urge the committee to reconsider the proposed amendment, which coerces cities into a dilemma between operational sustainability and the pursuit of continued growth. Such a scenario presents an untenable situation for burgeoning municipalities and the broader interests of the State of Kansas.

Sincerely,

Sean Fox
City Administrator
Park City, Kansas