



February 15, 2024

Written Testimony in Opposition to Senate Bill 468 Submitted By Stuart Little Senate Assessment and Taxation Committee

Chair Tyson and Members of the Committee:

The Northeast Johnson County cities of Merriam, Mission, Prairie Village, Roeland Park, and Westwood Hills oppose HB 468. We appreciate the opportunity to provide testimony. The bill intends to modify current law regarding local government and economic development and intervene in that relationship constraining the options available to an elected municipal governing body. Ultimately, it degrades the ability of cities to grow their tax bases through new investment, shifting the additional burden of public services on to existing property taxpayers.

The bill requires that the elect governing bodies' flexibility in using their power of taxation be limited should they wish to utilize legal economic development tools for their intended purposes. The taxation process has been modified with great regularity for years, most recently culminating in the establishment of a revenue neutral rate process that makes the decision to generate more revenue in property taxes than the prior year subject to multiple notices, hearings, tight timelines and potentially a public vote. The revenue neutral rate process minimizes the opportunities that local elected officials have to adopt mill levy rates and budgets which align with priorities identified by local residents.

SB 468 seeks to further erode the local authority in budgetary and economic development decision making so critical to the success of our communities. Especially for our NE Johnson County cities who are landlocked and sitting near the Missouri border where other competitive factors come into play. Cities must be entrusted with the ability to address their unique needs with tools that have been historically proven and without the continued burden of excessive process requirements.

Among our NE Johnson County cities, the use of legal economic development tools has demonstrated the local benefits that increase property values, enhance the quality of life, all while creating jobs, entertainment, and positive growth. Meadowbrook at the corner of 91st and Nall in Prairie Village has converted a golf course into a vibrant, pastoral hub of community engagement, multi-use development, and community-wide recreation, all for the benefit of our community, and the state. At the intersection of Johnson Drive and Ikea Way in Merriam, the globally recognized IKEA chose to build a store that draws massive engagement and contributed to the development of their community and the region. Roeland Park recently used economic

development incentives to bring needed housing development to a site completely unattractive to the private market due to its physical challenges.

In an IRB Tax Abatement project currently under consideration in Mission, even with the use of the incentive, the City and all other taxing jurisdictions will recognize and immediate increase in the property taxes to be generated. This helps to relieve the longer-term tax burden for single-family property owners while simultaneously addressing properties which are vacant and blighted. In 2023, the City spent more money to abate property maintenance issues than the parcels generated in tax revenues.

Senate Bill 468 seeks to limit the use of critical tools as we evaluate business opportunities and consider projects which offer long-term benefits for our residents and businesses. Our cities' responsibilities and demands for services won't go down as a project grows and develops. Senate Bill 468 places a hard cap on any increase to the revenue neutral rate and that becomes a barrier to ensure that our local businesses, elected governing bodies, and taxpayers can work together for growth and development.

Thank you for your consideration and we welcome any questions or further discussion you may have on this matter.

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