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City Administrator
City of Ellsworth
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9 February 2024

Senate Committee on Assessment and Taxation
300 SW 10th St.
Topeka, Kansas 66612

SUBJECT: Senate Bill 468: Importance of Economic Development Tools

Members of the Senate Committee on Assessment and Taxation,

I am writing to express my strong opposition to Senate Bill 468, which ties the use of tax abatements, industrial revenue bonds, and Tax Increment Financing (TIF) districts to the Revenue Neutral Rate (RNR). As a resident of Ellsworth, Kansas, I urge you to reconsider this legislation and its potential negative impact on our city's economic development.

SB 468 would severely restrict our city's ability to utilize vital economic tools such as industrial revenue bonds, tax abatements, and TIF districts. These tools are essential for promoting economic growth, attracting businesses, and revitalizing blighted areas within our community. By imposing arbitrary limitations tied to the Revenue Neutral Rate, this bill threatens to hinder our city's efforts to create jobs, spur investment, and improve our local economy.

Furthermore, I am deeply concerned about the precedent that SB 468 sets by undermining the purpose of the Revenue Neutral Rate process. The RNR was established to promote transparency and accountability in the property tax process, not to restrict municipalities' ability to implement economic development initiatives. Tying economic incentive programs to the RNR sets a dangerous precedent that could hinder future economic growth and development across the state.

It is imperative that members of the Senate Committee on Assessment and Taxation consider the broader implications of SB 468 on cities, businesses, and citizens across Kansas. By limiting our city's ability to leverage economic tools for growth and development, this legislation would have far-reaching consequences for our community's prosperity and well-being.

I urge you to oppose SB 468 and to prioritize policies that support, rather than hinder, local economic development efforts. Thank you for considering my testimony on this important issue.

Sincerely,

Dustin M. Stambaugh