



CITY OF TOPEKA

Legal Department
215 SE 7th Street, Room 353
Topeka, KS 66603

Amanda Stanley, City Attorney
Tel: (785) 368-3883
www.topeka.org

To: Senate Committee on Assessment and Taxation

From: Amanda L. Stanley, City Attorney on behalf of the City of Topeka

Date: February 21, 2023

Re: Written Opposition Testimony SB 252

I would like to thank Chairwoman Tyson and the Committee for allowing the City of Topeka the opportunity to provide opposition testimony to SB 252.

SB 252 provides a property tax exemption for all ad valorem taxes at every level (state, city, county, and school districts) for business property that alleged to be in competition with property owned or operated by any government entity in the county in multiple very broad categories decimating the tax base required to provide vital services necessary for the operation of the very businesses purporting to be helped by this legislation.

Everyone dislikes property taxes but property taxes pay for the very infrastructure necessary to operate a successful business including the roads necessary to get there, the clean water required to operate, the sewer system that prevents outbreaks like dysentery, the law enforcement necessary for orderly society where people want to live and feel safe to patronage the business, the fire department that responds when the building or its neighbor's building is on fire, and these are just the things that quickly come to mind.

Under this legislation, if a county operates a golf course, a country club would exempt from all state, county, city, and school district ad valorem taxes. If a school district operates after school care, all childcare facilities are exempt from all state, county, city, school district ad valorem taxes. If the state allows a subsidized restaurant in the Capitol, all restaurants in the City of Topeka are exempt from taxes necessary to provide the infrastructure for the state government located in our boundaries to function. The same is true for multiple other industries under the bill. Specifically, SB 252 will detrimentally reduce the essential revenue streams of our city. Every restaurant in Shawnee County would be immediately relieved of property tax because of TCALC Legacy Café, all gyms and health clubs due to Parks and Rec fitness classes, pools, and golf courses, and all entertainment venues because the City of Topeka owns the Topeka Performing Arts Center.

A city government has no control over the actions of another taxing subdivision. It does not make sense that another taxing subdivision could significantly erode the city's tax base and unfairly shift the burden of providing critical services solely onto our residential citizens.

Additionally, quality of life is increasingly becoming a major factor in why businesses choose to locate to, or even to remain in, a community. Families want parks, a vibrant downtown, libraries, and a family friendly community. This legislation will force Kansas to eliminate investing in these necessary community resources or even providing crucial public safety functions.

Every budget cycle, our local governing body spends months evaluating the budget looking for cost efficiencies and ways to decrease the tax burden on our community while still providing the services demanded by our citizens. This bill is far too broad and will make that an impossible task for local elected officials. We would urge you not move SB 252 any further in the legislative process.