



INDEPENDENCE

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CITY OF INDEPENDENCE

March 15, 2021

To the House Committee on Economic Recovery and Prosperity (electronically submitted)

Letter in opposition to HB 3040-1

SDCs are a valuable tool for cities to pay for increased capacity with infrastructure to accommodate new users. The timing of the collection of SDC's is critical to allow cities to prepare, bid and construct improvements caused by development. If HB 3040-1 passes, cities will only have days from receiving funds to make critical improvements which is not possible. Communities will be left to suffer the consequences passed on by the development community until improvements can be constructed. The current system which pays for improvements at the building permit stage is barely enough time in many cases to make necessary improvements. This bill would place great burdens on cities and rate payers to make up time and monies lost to deferred payments.

HB 3040-1 would also require local governments to defer collecting SDCs until the sale of a single-family home as part of closing costs. Changing the collection date will result in small savings on interest for developers and increase costs for local governments. Tracking SDCs at close of sale for single family homes is almost impossible as cities will have little to no notice of a pending property sale. Without the authority to place liens, collect interest, or collect SDCs that may be missed in the closing process rate payers will ultimately be required to pay for new development which undermines the SDC program.

This bill is on-sided and moves the burden of time and money to cities and rate payers that should be taken care of by developers who are causing the problems.

The City of Independence strongly requests that you vote against HB 3040-1.

John McArdle
Mayor