



General Motors Company  
Fairfax Assembly Plant  
3201 Fairfax Trafficway  
Kansas City, Kansas 66115-1307  
USA

March 15, 2013

Dear Chairman Donovan and Members of the Senate Tax Committee:

My name is Bill Kulhanek, Plant Manager for the General Motors Fairfax Assembly facility in Kansas City, Kansas. On behalf of General Motors, I am writing to support Senate Bill 235, which will provide a real property tax exemption on certain new real property of an automobile manufacturer. This proposal is beneficial for manufacturing in the state of Kansas and a priority for General Motors.

GM began construction on the Fairfax Assembly Plant in 1985, and it was completed two years later at a total cost of \$1.05 billion. Since the initial investment, GM has spent hundreds of millions of dollars to keep the plant competitive in the global automotive market. In fact, our company recently announced a new \$600 million investment in the facility, which will include the construction of a new state of the art paint shop. These investments allow GM to continue building the world's best vehicles—like the Chevrolet Malibu and Buick Lacrosse—right here in Kansas.

If passed, Senate Bill 235 would make it easier for auto manufacturers, like General Motors, to make future investments in the state of Kansas. The current incentive structure involving Industrial Revenue Bonds, or "IRBs," has significant drawbacks. Eliminating the need for IRBs will allow manufactures to invest more easily and efficiently. Other states in the U.S. provide for real property tax abatements that do not require the IRB approach, including Michigan, Indiana, Ohio and Texas. Adopting this change to Kansas law will help level that playing field.

Along with new financial investment in Kansas come more jobs, more vendors and new construction work. This proposal could have an important impact on the Kansas economy.

By approving Senate Bill 235, the State of Kansas will provide a much more efficient, attractive tool to enable real property tax abatement for automobile manufacturers, and we support this effort.

Thank you for your consideration.

Sincerely,

  
William Kulhanek  
Plant Manager, General Motors - Fairfax Assembly

SN Assmnt & Tax

3/18/13

Attach't # 5