

GREAT PLAINS DEVELOPMENT AUTHORITY

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March 7, 2018

Testimony on HB 2537 before the House Taxation Committee,
Representative Steven Johnson, Chairman

Representative Johnson and members of the committee, thank you for the opportunity to appear today in support of HB 2537. I am Michael Johnston and I represent the Great Plains Development Authority, the entity created by law to develop what was formally the Kansas Army Ammunition Plant near Parsons. Daniel Mann, the Authority's CEO, is here with me today.

Simply put, HB 2537 would authorize the board of the authority, in its own name, to incur debt to "pay the costs of developing and improving properties within the redevelopment district". In the past, the Labette County Commission has been reluctant to be a party to any debt associated with the redevelopment district that may expose taxpayers in the event the debt became distressed. As a result, the bill makes clear to anyone extending credit to the development authority that "any debt incurred under the provisions of this act shall not be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any political subdivision thereof". Moreover, all such debt shall contain on the face thereof a statement to this effect.

In plain terms, anyone extending credit to the development authority is put on notice that they cannot look to the state or any political subdivision for help in the event such debt becomes distressed. While there is no immediate plan to structure a borrowing at this time, this would be another tool that may assist the development authority in its goal of bringing badly needed jobs to Southeast Kansas.

Thank you again and Mr. Mann and myself would be pleased to answer any questions you may have.

