



THE BENNINGTON STATE BANK

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Written Testimony to Senate Assessment & Taxation Committee
March 17, 2017

From: Rodney L. George,
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Good afternoon Mr. Chairman. My name is Rodney George and I am with the Bennington State Bank which is a \$750 million Kansas Community Bank that has 7 offices located in 5 Kansas counties. I have been with the bank for 25 years and serve as a Senior Lender and have served as a Board of Director of our bank for 15 years.

I wish to share my concerns about the road construction industry in our state. This growing concern is impacting nearly every community business in Kansas, not just banks. Our bank however, does finance a number of road construction companies that serve as a vital employment source for our communities. They employ anywhere from 5 to 50 employees, depending upon the number and sizes of jobs they are able procure. The economic challenges they have had the past 5 year have caused a significant disruption to their employees, suppliers and in some cases creditors. In recent, years, we have seen payrolls go from full capacity to furloughs in a matter of months. Many jobs in this industry that were once full time have become seasonal or part time.

In many of our smaller communities, we also are the bankers for the employees, suppliers, equipment and automotive dealers, grocers and the list goes on, that also serve these same markets. The financial stress in this sector of our economy effects many more business and people than just road and bridge construction companies. This is because the construction industry, in particular the transportation construction industry is a foundational piece of our economy that supports many areas of our local economies that are not always apparent. The companies that are able to travel out of state or even out of the country have done so despite the added cost of increased overhead expenses and disruption of their employees' family lives. In some cases, we have seen them hire out of the area employees to minimize the concerns of; travel, time and other expenses to be competitive. These occurrences serve as a lost opportunity for our communities and Kansas as a whole.

Other customers of our bank have a more indirect but real cost which they incur from the weakening infrastructure of the transportation system itself. In fact our



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bank along with other business in our county lost a customer recently because an out of county customer was frustrated that our county government could not fund the replacement cost of a bridge that crosses the Kansas River between Pottawatomie and Wabaunsee County's.

The economic vitality of our state depends upon Kansas Commerce which depends on our roads and bridges. Our State's retail sales, export sales, and employment rate, are just a few of the obvious measuring sticks that we use to effectively increase our desirability as a state and Kansas tax revenues. eCommerce will not replace our roads and bridges, but rather it increases the need for them because of the distribution channels needed to support it.

The Kansas Legislature has an opportunity to support a primary industry, in particular the road & bridge construction industry, which supports unlimited economic activity while adding value, efficiency and longevity to Kansas commerce. This will create an immediate and needed economic stimulus of our state economy by adding jobs and income. There is no other sector in our state economy that ties all of our industries together with such vital importance. As the money invested turns over multiple times, taxing opportunities will be created as Kansans again becomes an inflow of national and economic growth from this economic pull factor. Thank you for the opportunity to share these concerns.