



AMERICANS FOR PROSPERITY[®]

Testimony on Senate Bill 432

March 5, 2018

Thank you for the opportunity to speak today. My name is Elizabeth Patton and I am the Kansas Grassroots Director of Americans for Prosperity, the state's largest grassroots advocate for free markets. On behalf of the over 50,000 AFP activists in Kansas, I urge you to support Senate Bill 432, which would add much needed transparency to the STAR bond program in the state of Kansas.

Across the nation, multiple states have used tax credits or subsidy programs in an attempt to jumpstart economic growth by funding specific projects. But these projects often rely on rosy assumptions to get funding and there is little oversight about the actual return on investments. When cities or states do subject these programs to rigorous cost-benefit analysis, more often than not the promised results fail to materialize.

That is why legislation to address this problem is so important.

By requiring that STAR bond projects be held up to impartial standards created by the Secretary of State before they can receive funding from the state, there is a higher probability that the investment will not be a loss for taxpayers.

Additionally, this legislation would put accountability on the back end of these bonds by preventing a city or county from submitting projects if a STAR bond program had "failed" within the last five years.

This is crucial, as often programs such as STAR bonds lack any protections for taxpayers after the financing has been doled out.

Finally, this bill requires that all projects funded through these bonds shall include complete audits of the programs to the governor as well as the House and Senate Commerce committees. This transparency will be paramount for lawmakers to evaluate the effectiveness of the STAR program and consider whether this program should be allowed to continue.

Americans for Prosperity is committed to leveling the playing field for all businesses by fighting government handouts to select politically-connected industries. This, however, cannot be accomplished without the cold hard facts of whether government programs deliver the results their proponents promise. Not only does this bill go a long way towards providing those facts, but it also sets up safeguards for taxpayers in the process.

For these reasons, I respectfully urge you to vote for Senate Bill 432 and take the first step towards abolishing corporate welfare in the state of Kansas.

Sincerely,
Elizabeth Patton
Kansas Grassroots Director, Americans for Prosperity