



**Senate Committee on Commerce
Hearing on SB 432
Hearing Date – Tuesday, March 6, 2018**

**Testimony in Opposition of SB 432
on behalf of the Kansas Economic Development Alliance
by Trent Armbrust, Board Member**

The Honorable Julia Lynn, Chair, And Members of the Senate Commerce Committee

The Kansas Economic Development Alliance (KEDA) is a member association representing economic development professionals and organizations from across the state of Kansas. Our members work daily in Kansas communities with public and private partners to grow the Kansas economy. Creating the opportunity for new investment in the State of Kansas is an economic development pillar equal to creating new businesses, new jobs. Absent new investment, the state will not grow.

Kansas, through the leadership of the legislature working with economic development professionals, has developed a suite of economic development tools that gained national recognition as being innovative, practical and competitive. KEDA endorses our existing economic development programs and tools including STAR Bonds.

KEDA supports the current reporting of STAR Bond information by the Dept of Commerce to the legislature allowing for program and project review on an annual basis. SB 432 adds many requirements to the STAR Bond reporting and the application process resulting in an unduly burdensome program and that may render it useless. A few examples include:

- The new three-member commission adds an additional layer of bureaucracy beyond the current rigorous demands of the application process.
- The previous failure clauses are absolute versus being one of many criteria considered. There may be reasons beyond the developers and communities control for revenues falling below 50%.
- The proposed requirement of the feasibility study including evidence of comparable project viability of at least 3 currently operating projects in the U.S. is unclear and squashes creativity. What are we comparing, the tourist site or the sales tax generation infrastructure? What if somebody has a novel tourism idea and nothing like it exists in the United States?

The **Kansas Economic Development Alliance opposes SB 432** but stands ready to work with the Kansas Legislature, the Kansas Department of Commerce and other agencies to review and modify existing statutes to strengthen existing economic development programs while being responsible to the constituents we all serve. Thank you for your time and consideration.