

State of Kansas  
House of Representatives



Kristey S. Williams  
Representative, 77th District

State Capitol  
Topeka, Kansas 66612  
(785) 296-3971  
kristey.williams@house.ks.gov

506 Stone Lake Court  
Augusta, Kansas 67010  
(316) 775-1440  
kristeywilliams@yahoo.com

Jan. 31, 2019

Proponent Testimony: *HB 2006, An act relating to the disclosure of economic incentive data*

Chairman Tarwater and Members of the Committee:

Disclosure of information is the first step in providing taxpayer transparency. Disclosure, in the context of **HB 2006**, means the required digital accessibility and reliability of economic incentive data.

Making key economic incentive data readily and easily available should be among the first steps in our continued progress toward a more open and taxpayer-focused government. Making sure the public knows *how their tax dollars are used, where they are used, and by whom they are used* is a fundamental right of the people who fund the incentives – the Kansas taxpayer.

With that in mind, **HB 2006** has the goal of providing accurate, relevant, reliable, and easily searchable incentive data to both the public and the legislative body. **HB 2006** is identical to last year's **HB 2572** that received bi-partisan support and ultimately passed out favorably twice in the House: 114-7 on March 9, and again on our final legislative day, 124-0.

Here are the main highlights from **HB 2006**:


- 1) It does *not* draw any conclusions on the worthiness or merit of a particular incentive. It does *not* change policy regarding those incentives. It does *not* eliminate or add any incentives. *What it does do* is allow the data and information to be readily available so the legislative body and the public may evaluate and examine incentives.
- 2) This bill defines economic development incentive programs to mean:
  - a. Those programs administered in whole or in part by the Department of Commerce,
  - b. Any tax credit program EXCEPT for social and domestic credits (that are outlined in the bill) regardless of the administering agency,
  - c. Property tax exemptions as allowed by our Constitution and statute.
- 3) All economic incentive programs that provide more than \$50,000 of annual incentives from administering agencies must be included and be searchable.
- 4) Those incentives must be provided on the Department of Commerce's website or have appropriate link, so provided in digital format and must be:
  - a. Searchable by program, business, and county,
  - b. Printable,
  - c. Available to access on-line.

- 5) The database of economic development incentives data must include the following:
- a. Names, address, and county of recipient (recipient is defined as the original applicant),
  - b. If Star Bond, also the names of the principals and officers of the development enterprise,
  - c. Annual amount of incentives claimed,
  - d. Qualifications for incentives, if specific to the recipient, otherwise would be included on program summary,
  - e. Any required benchmarks for the continued participation within the program,
  - f. Years in which incentives are granted/benefits received,
  - g. Program information for *each* ED Program:
    - i. History of program, origination date,
    - ii. Purpose/Goals of program and criteria for qualification,
    - iii. Application for the program and relevant resources/contacts,
    - iv. Program cost and Return on Investment INCLUDING assumptions used to calculate the ROI,
    - v. Program Compliance Rate,
    - vi. Annual Reports, if required by Statute,
    - vii. Evaluations of program, if any,
    - viii. Annual data which should be organized by recipient, county, and program. ANNUAL DATA SHOULD INCLUDE:
      1. Total amount of annual incentives from a program claimed by a recipient,
      2. Total amount of incentives received by recipients in *each* county,
      3. Total amount of incentives distributed by *each* PROGRAM.
      4. DATA MUST be aggregated and provided in those 3 categories: program, recipient (business), and county.
- 6) This bill maintains necessary confidentiality and meets all Federal laws regarding unlawful disclosure of private information while also providing transparent reporting in a searchable database of all incentives that exceed \$50,000 by program.

It's my hope that through **HB 2006**, we will have a clear framework/system that allows the legislative body, our agencies, and executive branch to make good decisions based on well-organized, easy to access, accurate data. By supporting **HB 2006**, we set the statutory requirements and expectations; we create continuity from administration to administration or from Secretary to Secretary; and we all become better equipped to make good decisions for the people we are elected to serve.

I ask for your support of **HB 2006** and furthering transparency for the taxpayers of Kansas.

Respectfully,



Rep. Kristey Williams