



**Overland
Park
Chamber™**

To: Chairman Tarwater and Members of the House Commerce, Labor and Economic Development Committee

**From: Kevin Walker, Senior Vice President of Public Policy
Overland Park Chamber of Commerce**

Date: 16 March 2021

On behalf of the members of the Overland Park Chamber of Commerce I appreciate the opportunity to submit testimony in support of SB 124.

Sales Tax and Revenue Bonds, commonly referred to as STAR Bonds, are a powerful economic development tool that have been used on high-impact projects across the state. We believe tools like this are essential in today's ultra-competitive economic development environment. With the economic challenges created by the pandemic having effective incentive tools is perhaps more important than ever before.

The bill before you extends the STAR Bonds program to July 1, 2026. We are in full support of this.

SB 124 also proposes programmatic changes that seek to further refine how the bonds can be used. We believe these changes merit consideration especially because many of these changes are designed to bring a more thorough economic assessment of each project and clarify the standards for accountability that will be used to measure the success of approved projects.

For example, the bill requires that a third-party feasibility analysis be conducted – at no cost to the state – before approval decisions are made. Prior approval by the Secretary of Commerce of the third party conducting the analysis will assure that the economic analysis has the best interests of Kansas taxpayers top of mind as each project is assessed.

Further, the bill calls for a plan to be developed that captures proposed visitor and economic impacts of each project. This additional data will assist in making more thorough analysis of the benefits of the project, better projections to measure a return on our investment and an analysis of the overall impact to the community in which the proposed project would be located.

The bill also makes other structural changes to the STAR Bonds program that will assist in creating STAR Bond projects for rural Kansas as well as opening opportunities to capitalize on projects that include major business facilities.

In a perfect world, perhaps incentives would not be necessary. However, until such time that other states decide to forgo incentives, we believe Kansas needs to be sufficiently equipped to compete for every opportunity that makes economic sense. The STAR Bonds program is a powerful tool and gives Kansas an edge in the economic development arena.

However, we also believe that the state's incentive tools need to have documented return on investment and protect the state's taxpayers every step of the way. The changes proposed in SB 124 strengthen and improve our current STAR Bonds program and ensure more accountability.

The Overland Park Chamber believes the STAR Bond program warrants careful consideration and urges this committee to approve SB 124 to support the economic development community as we work to grow the Kansas economy.