

SB 347 Support

Written Testimony submitted to the House Committee on Commerce, Labor and Economic Development

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Mr. Chairman and Members of the Committee:

The Greater Topeka Chamber of Commerce supports SB 347 ("APEX") which blends several existing incentive programs offered by the state into a new, flexible tool to meet the unique needs of exceptionally large economic development projects and their suppliers. We address herein certain aspects of the Senate-passed version of the bill.

The Topeka Chamber is a partner organization of the Greater Topeka Partnership, a multi-faceted organization which guides our community's economic development activities and represents the voice of business in Topeka and Shawnee County. Our nearly 1,000 members are businesses dedicated to creating a more prosperous future for themselves and their community.

Along with our colleague chambers from across Kansas, the Topeka Chamber has consistently supported the Department of Commerce's efforts to market the state and attract new business here. As our economy recovers, arming economic developers with new flexible tools will be critical. This is the essence of the Department of Commerce's APEX program: to put Kansas in position to compete at the highest-levels for projects which have heretofore usually been reserved for a small handful of other states. That means giving the Department of Commerce the same tools those other states use, including refundable tax credits. It will be remembered that the Secretary of Commerce has a duty to negotiate each incentive deal with Kansans' best interests in mind and that whatever incentives might be agreed upon, they will not be bestowed unless and until the business lives up the their end of the bargain.

This extraordinary new program is being proposed in the context of a multi-billion dollar project for which Kansas is earnestly competing. The project will bring thousands of goodpaying jobs to our state and tens of millions of dollar in new payroll, sales and other tax



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revenues. It is a truly staggering opportunity; one for which our current suite of incentives is outmatched. APEX gives Kansas a chance to capture this project and more.

While we appreciate the desire by some to establish mechanisms for regular review of incentive programs, like APEX, Kansas will have gained no lasting competitive advantage from the program if it only lasts a year at a time. We would respectfully suggest that the interests of good oversight and competitive economic development would both be met if the APEX program were scheduled to come before legislators again after <u>five</u> years, rather than just one.

Not every Kansas community is currently in a position to compete for a multi-billion dollar project but all of our communities can benefit. Developments of the magnitude being contemplated here inevitably attract the attention of site selectors and adjacent industry professionals. As Kansas proves it can win in the realm of "megaprojects," we have every reason to expect many more opportunities to compete for projects of all sizes, every one of which contributes to the growth of our economy and the brightness of our future.

We urge you to support the APEX program and we appreciate your consideration of our concerns as set forth above.

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