



**House Committee on Taxation  
Testimony in Support of House Bill 2445  
Presented by Eric Stafford, Vice President of Government Affairs**

**Tuesday, March 23, 2021**

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. The Kansas Chamber appreciates the opportunity to testify in support of House Bill 2445.

This bill attempts to create a fair and level playing field between for-profit and non-profit/government-operated health clubs. Some non-profit organizations have expanded their services over the years to now offer fitness centers for their members. Those organizations provide community service programs for residents. In addition to non-profit entities, local governments have started getting into the health club business. Neither pay property taxes, nor do they pay sales tax on memberships.

Whether its energy policy or health clubs, government should discourage tax policy that creates a non-profit or public sector advantage over a private industry. Private health clubs which pay taxes are essentially contributing toward the subsidization of their competitors tax-exempt status. HB 2445 only addresses the property tax disparity. This does not eliminate the sales tax on private health club memberships.

In closing, we appreciate the committee's consideration of House Bill 2445, and would ask for your support. Thank you for allowing us the opportunity to testify, and I'm happy to answer questions at the appropriate time.