



March 22, 2021

Rep. Adam Smith, Chairman
House Committee on Taxation
Room 346-S
Kansas State Capitol,
Topeka, KS 66612-1504

RE: HB 2445 - Providing for a Property Tax Exemption for Health Clubs

Members of the House Committee on Taxation:

I am writing on behalf of the International Health, Racquet & Sportsclub Association (IHRSA), the leader in education, research and advocacy for the health and fitness industry, representing health clubs and fitness businesses worldwide and in Kansas. On behalf of our Kansas members, I am writing to express IHRSA's support for exempting health clubs from property tax, as proposed in **House Bill 2445**.

This is fundamentally a question of equity. The COVID-19 pandemic has underscored for everyone, the value of one's health and the importance of healthy living. Health clubs are literally in the business of making people healthy. Yet, health clubs are forced to operate on an uneven playing field, as competitors enjoy tax exemption or even tax subsidies.

At a time when people understand the importance of taking control of their health more than ever before, the very health clubs that can put them on the path to a healthier life are fighting for their own survival. Health clubs were shuttered across the country amidst the pandemic which caused many of these businesses to face incredible financial struggles. Providing a property tax exemption to health clubs would give them a fighting chance to recover from the financial crisis caused by the pandemic and allow health clubs to get back to proactively protecting the health of their fellow Americans.



Health clubs are essential to America and Kansas' health. In March 2020, the CDC issued a [preliminary report](#) which concluded that people with diabetes and obesity were at higher risk of mortality from COVID-19.

- This has only been bolstered by more [supporting evidence](#): the CDC now considers type 2 diabetes, obesity and cardiovascular disease as diseases with the strongest and most consistent evidence of impact on COVID-19 severity.

Rates of these chronic diseases remain high in the US. More than [4 in 10 adults are obese](#)—including 34% of Kansans—and more than [1 in 8 adults has type 2 diabetes](#). These tens of millions of Americans face not only an increased risk of general mortality, but also increased likelihood of COVID-related mortality. Physical activity is proven to help prevent, manage, and treat a number of chronic diseases. Fitness facilities are essential in stemming the rise of chronic disease and strengthening the public's health and well being.

Health clubs are essential to Kansas' physical and fiscal health. H 2445 would help even the playing field, giving health clubs a fighting chance to compete and survive. Even with this assistance health clubs would continue to support Kansas, providing tax revenue from sales tax and income tax, among others. There is perhaps no other industry that faces such a uniquely inequitable competitive balance as the health club industry. H 2445 takes an important step in bringing some balance to that competitive landscape, giving health clubs a chance to compete and survive and provide Kansans access and maintain healthy lifestyles.

Thank you for the opportunity to comment on this legislation. I sincerely hope that you will join me in supporting H. 2445. If you have any questions, please do not hesitate to contact me at jdp@ihrsa.org or (617) 951-0055.

Sincerely,

Jeffrey Perkins

Assistant Vice President of Government Relations, IHRSA