

**Senate Committee on Assessment and Taxation
Testimony in Support of Senate Bill 286
Presented by Eric Stafford, Vice President of Government Affairs**

Thursday, March 11, 2021

Madam Chair 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. We appreciate the opportunity to testify in support of Senate Bill 286. SB 286 is a comprehensive approach to address grievances of business owners impacted by the economic shut down last year due to COVID.

In December 2020, the *Omega Bootcamps v. State of Kansas* lawsuit was delayed to allow time for the Legislature to find a solution to the compensation provision of the Kansas Emergency Management Act. In a December 31, press release from the Attorney General's office stated "This lawsuit raises important public policy questions extending well beyond this individual case that would be better answered by the Legislature rather than the courts. I agree with the basic principle, **reflected in current law** (emphasis added) was not designed to address these sorts of business shutdown orders.

"Therefore, rather than proceeding directly to litigation, we have reached agreement with the plaintiffs to jointly ask the court to put this lawsuit on hold during the 2020 legislative session so we can ask the Legislature to consider in a comprehensive manner the public policy issue of compensation for losses caused by lockdowns."

It's important to state that the statement by the Attorney General acknowledges that existing law under the Kansas Emergency Management Act allows for compensation for businesses impacted under a state of emergency declaration.

SB 286 offers business owners impacted by government-imposed restrictions a path toward compensation through a certification process managed by the Attorney General. Business owners that were shut down or restricted in operations would be made eligible for compensation through income or property tax credits paid for by the establishment of a trust fund utilizing \$100 million in federal COVID relief funds.

We believe this is a responsible way to address compensation for businesses closed during the pandemic. Thank you for the opportunity to speak in support of Senate Bill 286 and I'll be happy to answer questions at the appropriate time.