



**Joint Committee on Commerce**  
**2024 Special Session on STAR Bonds Proposal**  
**Presented by Eric Stafford, VP of Government Affairs, Kansas Chamber**

**Monday, June 17, 2024**

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-sized businesses across the state, advocating for policies which improve the economic climate in Kansas. We appreciate the opportunity to provide testimony today expressing our support to approve modifications to the STAR Bonds program to attract the Kansas City Chiefs, and possibly the Royals, to Kansas.

First, I'd like to answer the question of what is the STAR Bonds program? According to the Kansas Department of Commerce website, "Sales Tax and Revenue (STAR) Bonds are a financing tool that allows Kansas municipalities to issue bonds to finance the development of major commercial, entertainment and tourism projects. The bonds are paid off through the sales tax revenue generated by the development."

STAR bonds takes sales tax revenue (consumer user fees) to pay for the development of the project. As described above, the program is intended to finance major projects. The most successful example to date is the Kansas Speedway and Legends development. The possibility of moving a professional sports team to Kansas is exactly what this program should be used for. STAR bonds projects should be the exception and they should be exceptional. Criticism that STAR Bonds has been overly-utilized is fair. But instead of opposing the program over unrelated projects, the legislature should look at revisions to the program. It is fair to question the effectiveness of economic development incentive programs and work to make improvements, such as clear eligibility criteria.

Additionally, capturing sales tax from the designated district through consumer spending choices is probably the best and most fair method of financing arrangements. Consumers choose to spend their money in the district which pays for a portion of the investment.

When looking at how other states finance their NFL stadiums, it becomes clear that STAR bonds is a better alternative. The Tennessee Titans for example, received \$500 million from the state, plus an additional \$760 million in revenue bonds. The Raiders received roughly 40% of the costs for the financing of their stadium- but the stadium was largely funded through user fees and tourism income. It's worth noting that compared to projects in the 90's and early 2000's, taxpayers are funding smaller percentages of stadiums today.

In closing, this truly is a once in a lifetime opportunity and in our view, qualifies as a major development opportunity the STAR Bonds program was made for. Thank you for the opportunity to testify today in

support of the Kansas City Chiefs STAR bonds proposal. I am happy to answer questions at the appropriate time.