



Testimony in Support of HB2131 – The Spur Kansas Growth Act

Submitted to the Rural Revitalization Committee

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Greeley County Community Development strongly supports the reinstatement of the sales tax exemption proposed by the Spur Kansas Growth Act. Few incentives currently exist to assist with development in the state's smaller communities, stymieing efforts where growth is desperately needed. Adoption of the Spur Kansas Growth Act would provide an additional tool in communities' economic development toolbox, providing support for the creation of new manufacturing, service, and retail businesses.

The original legislation included both a sales tax exemption for construction and remodeling as well as tax credits based upon job creation. The Spur Kansas Growth Act reinstates the sales tax exemption portion of the original Enterprise Zone legislation only. The income tax credits included in the original legislation will not be reinstated as a part of the Spur Kansas Growth Act.

During the fourteen-year existence of Greeley County Community Development, we have never used Industrial Revenue Bonds (IRBs), the High Performance Incentive Program (HPIP), Promoting Employment Across Kansas (PEAK), Kansas Industrial Training (KIT) or Kansas Industrial Retraining (KIR). The size of projects that located in our community either a) don't qualify or b) are not of sufficient size and scale to consider their use. In terms of business development, the Enterprise Zone sales tax exemption has been the only state incentive we have found to be workable for our community's projects.

Prior to the 2012 halt of the Enterprise Zone initiative, this program was widely used by communities to help incentivize development in rural communities. In Greeley County alone, six projects would have qualified for the sales tax exemption in the past six years, had the incentive been active: First Farm Bank, a Chem-Till, Inc. expansion, United Plains Ag's Agronomy Center, Diamond K Travel, Construction, Feed Store, and Greenhouse; a Dairy Ventures expansion, and Ashley's Graphics.

These businesses help drive our economy, creating jobs and opportunities for families to locate to the area and providing necessary goods and services. They increase the county valuation and contribute to the overall stability of the local property tax base. Though these projects were developed without the incentive, they would have been assisted by the existence of the sales tax exemption, enabling the creation of additional jobs more quickly and adding to the local economy in other ways. Other business ventures, in both our county and across the state, have not been as fortunate.

The Spur Kansas Growth Act will incentivize the development of two things that are richly needed in our and other rural counties: business and job creation. Reinstating the sales tax exemption provision of the Enterprise Zone indicates that Kansas welcomes new businesses and industry, in varying shapes and sizes, in communities across the state.

Greeley County Community Development