

Representative Hineman, Committee Chair  
Rural Revitalization Committee  
Kansas State Capitol  
300 SW 10th Ave.  
Topeka KS 66612

2/8/2019

Ref: Written Testimony in support of HB2131

Dear Chairman Hineman and Members of the Committee,

Thank you for considering testimony provided by Phillips County Economic Development in favor of HB 2131, otherwise referred to as the "Spur Kansas Growth Act".

Phillips County, located in Northwest Kansas, is an entrepreneurship-driven community. We strive to generate a culture that is conducive to the fostering of business start-up and expansion projects, thus generating increased fiscal success and stability for our business owners and an economic boost for the community and region.

Due to the significance and impact of Small Business on the rural economy, it is necessary to align the business owner with the required tools and resources to spur such development. Many state-funded incentive programs disqualify local projects due to restriction and limitations. *Examples include KIT/KIR, HPIP and PEAK.*

A reintroduction of the project sales tax exemption provision of the former Enterprise Zone program would allow for an effective development incentive to be used by communities for projects that are needed most.

As a prime example, a vital community childcare center is currently being constructed within the city of Phillipsburg. Being a project that will provide a necessary service to the community, create valuable jobs, yet has little scope for more than a marginal profit, the business could have significantly benefited from sales tax exemption during its \$850,000 development. This would have allowed for a considerable reduction in fundraising burden and therefore a speedier timeline on project development and job creation. As a result, the funds saved could have been applied to another project of benefit to the community as a whole.

In this respect, I urge you to support HB 2131 as it has the potential to help communities like mine to create jobs, increase the property tax roll, encourage small business start-up, and ultimately improve the small town economy of rural Kansas.

Should I be able to provide any further information or answer any questions that you may have, please don't hesitate to contact me at your convenience.

Sincerely,



Nick Poels  
Executive Director – PCED