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www.rookscounty.net

February 14th, 2019

To: Chairman Hineman

From: Rooks County Economic Development

Re: Testimony in Support of HB 2131 (Spur Kansas Growth Act)

Dear Chairman Hineman and Members of the Committee:

Thank you for the opportunity to provide testimony in favor of HB 2131. I strongly support the passage of the proposed Spur Kansas Growth Act. I feel that when the Enterprise Zone program was abolished in 2011 many of our rural counties lost a very valuable tool to spur the type of small economic growth that is impactful to our communities. Let me elaborate on that word "impactful."

Often times in the communities that we have in Rooks County, for example, new businesses that create anywhere from 2-10 jobs is impactful. Not only do these businesses provide jobs, but it is not unusual at all that they provide a service or product(s) that otherwise would be unavailable in the city or the county.

In Stockton, as an example, within a two year period, we had two new businesses that benefitted from the sales tax exemption provided for in the Enterprise Zone program. One business was an auto parts store. Believe it or not, it was something lacking in the community. The owner of the new business, while considering whether it would work financially, made the decision to move forward upon hearing that all construction material would be exempt from sales tax. His words were to the effect, "Well, okay then. That is going to make the project work. Let's do it." To date that store is thriving and employs approximately five people and pays well.

We also had the same situation with a retail store that ultimately employed approximately 10 people. They were not looking for big incentives or local tax forgiveness, but just something that would make the startup workable financially. Once they heard about the Enterprise Zone, it was the deciding factor between going forward or not. They made the decision to move forward based on the Enterprise Zone and the Neighborhood Revitalization program. That business keeps people from traveling 30 miles to Hays for the same products.

I urge the committee to move forward with HB 2131. I believe it would be a great benefit to many rural counties.

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Thank you for your consideration, and thank you for your service to the State of Kansas.

Sincerely,

Roger Hrabe, Director

Rooks County Economic Development