



February 27th, 2024

The Honorable Representative Sean Tarwater
Chair of Commerce, Labor, and Economic Development
Distinguished Members of the Committee
Kansas State Legislature, House
State Capitol, Room 346-S
300 South West 10th Avenue
Topeka, KS 66612

Re: HB2471 —Establishing the transformation of passenger and freight vehicle industry program to attract businesses engaged in electric motor vehicle and hydrogen-powered vehicle production

Dear Rep. Tarwater, and Members of the Committee:

The Sheet Metal Air Rail and Transportation Workers (SMART) is a proponent of HB2471.

SMART represents over six thousand members active and retired in Kansas. Our members work in all areas of transportation in the state, from railroad conductors, engineers, and various railroad positions. Our office is the transportation infrastructure throughout Kansas. We move our nation's freight safely and professionally.

We strongly support the proposed program to incentivize the assembly of electric and hydrogen-powered vehicles in Kansas. We believe this program would have significant benefits for the state of Kansas and the country as a whole.

Firstly, the proposed minimum capital investment of \$250 million for vehicle assembly operations would be a significant boost to the Kansas economy. This would not only create jobs in the short term but also provide a long-term investment in the state's infrastructure and technology.

In addition, the requirement for at least 250 jobs within 5 years of production start, with base wages at 120% or more of the county median wage, would provide much-needed employment opportunities for Kansans. This would not only improve the lives of workers and their families but also stimulate local economies by increasing consumer spending.

Moreover, the tax exemption for construction materials sales tax on the construction, renovation, or expansion of qualifying activities for the specific purpose of this industry would



be a significant incentive for businesses to set up shop in Kansas. This would attract businesses with the necessary resources to invest in the state's economy and create jobs for its citizens.

Additionally, the training provisions of the proposed program would ensure that Kansas has a skilled workforce ready to meet the demands of this emerging industry. The no-cost access to any Kansas community college or technical college of the employer's choice for the purpose of supported training of production workers and up to 12 months of classroom training for each production employee, paid for by the State of Kansas, with the curriculum provided by the employer, would provide invaluable opportunities for Kansans to develop skills and advance their careers.

Lastly, I would like to point out that the \$5 million cap per project for training, which could potentially train approximately 1,860 production workers, would be a wise investment in the future of Kansas. This would not only improve the lives of workers but also make the state more attractive to businesses seeking to set up operations in the area.

In conclusion, We strongly support the proposed program to incentivize the assembly of electric and hydrogen-powered vehicles in Kansas. The benefits of this program are clear, and we believe it would be a wise investment in the state's economy and workforce. Thank you for considering our testimony on this critical issue.

Please Support HB2471

Sincerely,

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ty Dragoo", with a long horizontal flourish extending to the right.

Ty Dragoo
SMART-TD
Kansas State Legislative Board
Director/Chairman