

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

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GREG LEWIS
113TH DISTRICT

February 13, 2018

To: Chairman Steven Johnson and Members of the House Taxation Committee

Re: Testimony in Support of HB 2607

Dear Chairman Johnson and Members of the Committee,

St. John is the county seat of Stafford County. Two years ago, the city of St. John lost their Dillons Grocery Store after many decades of service to the community.

To be a vibrant community with a future requires having a grocery store. Community members have been working together to find a solution. Marketing studies indicated that a new building would be needed along with the addition of a pharmacy and fuel pumps. One particular concern is that St. John's elderly citizens are driving 50 or more miles round trip for grocery needs traveling to adjacent counties.

Stafford County Economic Development, a 501c3 charitable entity, would build the building, maintain ownership and lease the space to the grocery store and pharmaceutical operators. The estimated cost for materials and equipment is \$3.8 million.

What HB 2607 is requesting is a sales tax exemption on the building materials and equipment. This is estimated to be approximately \$250,000. Once up and running it is estimated to generate approximately \$220,000 in sales tax for the State of Kansas in its first year and will continue to be a cash cow for the State of Kansas going forward.

In summary:

This Bill would provide;

1. A tax exemption for Stafford County Economic Development, a 501c3 charitable entity

This Exemption is;

2. For **one project only**. A project desperately needed for the citizens of St. John and surrounding area.
3. An exemption which is highly focused and has a very short window.
4. End result is a cash cow for the Great State of Kansas, a grocery store for the citizens of St. John and the surrounding area and jobs for the community.

Thank you for your consideration of HB 2607 and your service to our State.

Sincerely,

Greg Lewis
785-296-7682