



May 18, 2017

Mr. Chairman and Members and the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our 1,600 members, thank you for the opportunity to provide testimony in opposition to S.B. 251.

We stand in strong opposition to the amended language that would begin in school year 2017-2018, prohibit the abatement of taxes on the statewide 20 mill school finance levy for companies receiving industrial revenue bonds (IRBs) or for economic development purposes (EDX) pursuant to Article 11, Section 13 of the Kansas Constitution.

We believe this portion of the bill would eliminate significant job creation and hundreds of millions of dollars in capital investment from projects currently in the pipeline in south-central Kansas. There can be no doubt that at a minimum, passage of this bill would make Kansas much less competitive compared to other states that we compete with for jobs and economic development.

Over the last several years the Wichita Chamber has appeared before this and various other Committees and testified in regards to the efforts of other states to steal our aviation manufacturing jobs. Between 2005 and 2015 Kansas saw aviation employment drop by 17%. Conversely, Oklahoma saw an increase of 91% and North Carolina saw an increase 120%.

Aviation firms are growing employment, but they are growing employment more significantly in states with better incentives and programs more inviting of their capital investment. This investment is in employees through very high wages and great benefit programs. It also in infrastructure and real-estate and growth in supply chain firms. Kansas must do more to be better positioned to compete with states like Oklahoma, Georgia and North Carolina.

Disallowing tax abatements on IRBs is a huge step in the wrong direction. It would make us less competitive and would stifle growth in investment and job creation. Therefore, we ask that if the Committee passes S.B. 251 that it remove the language prohibiting the abatement of taxes on the statewide 20 mill school finance levy for companies receiving industrial revenue bonds (IRBs) or for economic development purposes.

Very truly yours,

Jason Watkins