

P.O. Box 161
721 Marsh Ave.
Kinsley, KS 67547
620-659-2711
Fax: 620-659-3613
Email: ecedc@sbcglobal.net
www.edwardscounty.org



February 12, 2019

To: Chairman Hineman
From: Edwards 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 written testimony in favor of HB 2131 (Spur Kansas Growth Act) which partially reinstates the Enterprise Zone program which was abolished in 2011. The reinstatement of the sales tax provisions provided by this bill will give our community an additional tool in our tool chest to aid local businesses in expansions or business relocations that would add jobs.

Edwards County has a population of approximately 3,000 residents and our largest community has a little less than 1,500. Most of our local businesses are small and any business relocations do not involve a large number of jobs due to a very low unemployment rate and a lack of workforce. These qualifications limit the State incentives that we can provide. Currently the only sales tax exemption available to use are industrial revenue bonds (IRB's). The use of these bonds is not feasible for most projects here due to them being expensive and complicated for a staff of only one person to pursue. In addition, a project would have to be well over \$1 million for the IRB to be effective. The smaller projects that may benefit from the reinstatement of the sales tax exemption would most likely not be eligible for PEAK, HPIP, and may not want to participate in KIT or KIR which are the state's only other incentive programs.

This Act would eliminate some initial sales tax revenue for the State but would provide new jobs, additional sales taxes down the road and new or expanded buildings which would raise county valuation and provide additional revenue in that way.

Before the incentive was abolished in 2011, we were able to benefit by using it in a retail store project after our Duckwalls store was shut down. That project would have never come to fruition without the sales tax exemption. There have been several projects that would have greatly benefitted from this exemption that have taken place since 2011. Tyree Ag expanded their operation and built two office buildings, a fertilizer storage facility and a new airplane hangar in Kinsley. They have added approximately 15 new staff members at this location. Midway Manufacturing expanded their existing facility and added new jobs. Hi-Plains Farm Equipment in Dodge City recently expanded their business including building a new building here in Kinsley. Nutrien Ag Solutions expanded their operations in Kinsley to include a new office and storage facility as well as placed their regional office staff into the new office here. These are all examples of projects that, if the exemption had existed, might have been able to use the funding that was paid in sales taxes to move forward quickly to begin the hiring process and increase operations.

I look forward to the opportunity to use this new tool provided by the Spur Kansas Growth Act to continue to enhance the economy of our county and State.

Sincerely,

Linette Miller, Executive Director
Edwards County Economic Development