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Testimony Supporting SB235 John J. Federico: Federico Consulting, Inc. **Senate Assessment & Taxation Committee** March 18, 2013

Thank you for the opportunity to provide brief testimony in support of SB235.

I have been working with General Motors in the state of Kansas for close to 15 years. Since dayone we have been working at both the local and state level to help provide the necessary support to their Fairfax Assembly Plant, and do everything possible in partnership with the Kansas Legislature to encourage further investment in Kansas.

On a daily basis we encounter competition from other "plant states" that are all competing for GM investment dollars for their manufacturing facilities, and even from non-plant states that dangle attractive incentives in hopes convincing General Motors to relocate.

Recently, General Motors announced that they would be investing \$600M in the Fairfax Assembly Plant. This, the most recent investment in their Kansas facility, is one of the single largest investments in any General Motors plant ever, and continues a decades-old partnership with Kansas and our proud workforce that has seen almost \$2B of investment in the last 10 years.

There are many factors that are considered in evaluating where to invest scarce resources, tax policy and the regulatory environment among them. SB235 is a simple step to help Kansas stay competitive with other states by streamlining what is an otherwise cumbersome bonding process. This is consistent with General Motors efforts in other states to lower the overall cost of doing business.

In crafting a final version of SB235, we met with the Kansas Department of Revenue, the Kansas Department of Commerce, the Unified Government/Wyandotte County, and the Revisor of Statutes. The bill before you today incorporates changes that we believe addresses any concerns that were raised by the interested parties.

I urge your support of this legislation and will answer any questions at the appropriate time.

SN Assmnt & Tax