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February 13, 2013

The Honorable Marvin Kleeb, Chairperson
Honorable Gene Suellentrop, Vice Chairperson
And Members of the House Commerce, Labor and Economic Development Committee
Statehouse, Room 346-S
Topeka, Kansas

Re: HB 2272

Ladies and Gentlemen:

As bond counsel to many cities and counties in the State, we request your approval of House Bill 2272. This bill would simply make 1 change to K.S.A. 79-201a, which is a property tax exemption statute. Currently 79-201a, *Second*, includes the 10 year property tax abatement for Industrial Revenue Bonds (IRBs) issued by a city or county. The current provision requires ownership of the real property by the city or county and then a lease to the company under the IRB statute.

The IRB statute (KSA 12-1740 et seq.) requires a lease structure, but does not specify governmental ownership.

HB 2272 would simply add a new subsection Twenty-Fourth to 79-201a. This new language would allow for 10 year property tax abatement for IRBs without fee title being transferred to the city or county.

The simple reason for this change is that the Small Business Administration (SBA) does not allow for title to property they are making a small business loan on to be transferred to a political subdivision. This change would allow small businesses that want to use an SBA loan as their financing for their capital investment in Kansas to be on a level playing field with small businesses that do not use an SBA loan.

Thank you for your consideration.

Sincerely,



Gary A. Anderson