



OLATHE
CHAMBER OF COMMERCE
ONE VISION. ONE VOICE.

**House Taxation Committee
Written Testimony in
Opposition to SB 146
Submitted by Tim McKee, CEO**

Chair Johnson and honorable committee members,

The Olathe Chamber of Commerce is the largest chamber in Johnson County and the second largest chamber in the Kansas City area. Comprised of 1,300 members and growing, it was the first chamber in the state to receive 5-Star Accreditation from the U.S. Chamber of Commerce - a designation obtained by less than 1 percent of the nation's chambers. Its mission is to be the voice of business that advances the economic well-being and quality of life in Olathe.

As the Olathe Chamber's CEO, I am submitting this testimony in opposition to the provision set out in SB 146 which would prohibit any new property tax exemptions granted by the State Board of Tax Appeals for property financed by industrial revenue bonds (IRBs) or for economic development purposes (EDX) and no longer apply to the statewide 20 mill school finance levy. As one of the leading economic developers charged with growing the Kansas economy I urge you to not passes this measure as it will only further encourage companies to locate in our neighboring state of Missouri.

Below are two specific examples where Olathe has lost out to Missouri because they can offer 25 years property tax abatement. They are as follows:

- Freightquote moved from Lenexa to Kansas City, MO with 980 jobs. They had an estimated \$55 million in annual payroll and built a 200,000-square foot building.
- CVS distribution center that came down to Olathe and Kansas City, MO. This was a \$110 million investment, 360 jobs and 762,000 sq. ft. building. They received a 90% abatement for 12 years followed by a 50% abatement for another 10 years from Missouri.

Passage of SB 146 with the language to remove the 20 mills abatement will only further erode our ability to attract and retain businesses in Olathe. The abatement incentive is an essential tool needed to keep the state of Kansas competitive with other states. To attract the type of development the state needs—projects that bring higher-salaried jobs and top-dollar investment—we need as many economic development tools such as possible. The elimination of the abatement in SB 146 only further erodes our economic development efforts and will bring instability to our recruiting efforts ultimately impeding our ability to attract and retain businesses in Kansas.

Thank you for the opportunity to submit these written comments in opposition to SB 146. If you should have any questions, please feel free to contact me at 913.764.1050.