

Testimony: HB 2188
Financial Reporting Requirements for Non-Profit Entities
House Judiciary Committee
February 12, 2013
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Greater Topeka Chamber of Commerce



Chairman Kinzer and Members of the Committee:

The Greater Topeka Chamber of Commerce would like to express our strong opposition to HB 2188. This proposal will add arduous reporting requirements to non-profit entities that receive public dollars.

In our case, GO Topeka, a subsidiary economic development organization of the Topeka Chamber would be required to begin reporting every expenditure in detail on our website and on our city and county's websites. GO Topeka contracts with the City of Topeka and Shawnee County to provide economic development services with the goal to grow the economy and create quality jobs. The citizens of Topeka/Shawnee County have twice approved sales tax dollars dedicated to this effort. Additionally the business community adds significant private dollars to GO Topeka. The public dollars are accounted for in a segregated fund. A budget is approved by the city and county annually and they receive financial reports quarterly from GO Topeka. These reports are public on local government websites.

In 2012, GO Topeka met with 231 site location consultants and corporate real estate professionals. They met with over 144 local businesses to assist with current or future expansion needs. Utilizing public funds and private funds GO Topeka was able to capture over \$33.9 million in capital investment and the potential for an additional \$500 million in future investment. GO Topeka is currently working to attract 22 new companies and is assisting seven existing companies with expansion plans.

GO Topeka does not publicly reveal the financial detail HB 2188 would require. If we are required to do such, we might as well close the doors because our competitors will have an open window to information regarding our dealings with prospective company expansions and relocations. They would know where we are traveling or who we are bringing to town. They could easily figure out marketing strategy and research that we are utilizing. They would have access to information about what our incentives are as we fulfill our agreements with companies who have invested in our community and created jobs.

As economic development professionals work with prospects they are usually bound by non-disclosure confidentiality agreements, we have such agreements currently underway. With the detailed information that would be available with the passage of this bill these agreements could not be honored and prospects would walk away. Such information would be played out in the media here at home and in the prospect's community and in our competitors' communities, removing any competitive edge that we might have.

We can't tell you today what the costs would be to create and maintain such a searchable and downloadable database. It would likely cause us to add additional staff to record and maintain.

The passage of HB 2188 will not only cause Topeka/Shawnee County to lose, but this legislation impacts the entire state. It is counterproductive to the priority the Governor has consistently articulated - to grow the economy.

Topeka also includes many non-profit community organizations who receive public funds, in partnership with local government, to address numerous issues communities face. Many of these small non-profit organizations prepare food and provide services for seniors, children, the homeless and those families who are struggling; these non-profits will be devastated by the reporting requirements set out in this bill. Many do not segregate their public funds, the amounts they receive are small; they will be required to report all their income and expenditures. The costs to create such information and maintain a website to publish this information will likely result in reduced services during a time when they're counted upon to provide even more.

HB 2188 is anti-business growth and is burdensome; the Topeka Chamber asks you to oppose this legislation; this legislation is not necessary and it will harm our communities and the state's ability to attract business investment and jobs.

HOUSE JUDICIARY

DATE: 2/12/13

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