



To: The Honorable Richard Carlson, Chairman
Members, House Taxation Committee

From: Ashley Sherard, Vice-President
Lenexa Chamber of Commerce

Date: February 14, 2013

Re: Opposition to HB 2136–Diverting State Sales Tax Scheduled to
Support T-WORKS Program to the State General Fund

The Historic Lackman-Thompson Estate

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The Lenexa Chamber of Commerce opposes HB 2136, which would divert to the State General Fund (SGF) the 0.4% of state sales tax scheduled to support the T-WORKS transportation program starting July 2013. We strongly believe that increasing transportation funding as scheduled will create and maintain more jobs and provide more substantial economic benefits than if the funds were diverted to the SGF and allocated to other programs and purposes.

The impact of transportation projects goes far beyond simply meeting important community needs. Transportation-related projects provide direct economic benefits through jobs and wages, state and local tax revenues, and commercial income generated by contractors, engineers, suppliers, and other support businesses, estimated by KDOT to result in as much as \$3 overall for every \$1 invested. With an economy that has been slow to recover, transportation projects are a direct means of creating and maintaining jobs and helping support that economy.

Further, Lenexa knows first-hand how important transportation projects can be to enabling the continued economic growth of a community and the state. KDOT has identified the interchange of K-10/I-435/I-35 in our city -- a key commercial access point known as The Gateway -- as among the worst bottlenecks in the state. KDOT believes its planned reconfiguration of the interchange will facilitate major commercial development and improve commercial flow through the region. In fact, KDOT estimates completion of the first two phases of the project will create over \$2 billion in economic impact for Kansas.

Unfortunately, the provisions of HB 2136 would make transportation funds in the future much more uncertain. Timely construction of needed projects and maintenance would not be assured – along with the jobs, economic activity, and improved safety they would unlock.

For these reasons, we strongly encourage the legislature to keep its commitment and not divert the scheduled increase in T-WORKS transportation funding. We strongly believe the T-WORKS program creates jobs, provides significant financial returns, and meets critical community needs – outcomes that will not necessarily be achieved if the funds are diverted to the SGF and allocated to other purposes.

Thank you for your consideration of our concerns.