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**Testimony before the House Appropriations Committee
Written In Support of HB 2767**

Provided by Christy Hopkins, President
western Kansas Rural Economic Development Alliance

Thank you, Chairman Waymaster and members of the committee for allowing this testimony on behalf of the western Kansas Rural Economic Development Alliance. We support HB 2767 because the reinstatement of the enterprise zone program is important to our smallest communities.

Each fall the membership of the western Kansas Rural Economic Development Alliance (WKREDA) develop a legislative position paper that reflects our concerns and solutions for matters that impact rural development. Since 2012 the policy position papers have included language that shared our support of the reinstatement of the enterprise zone program.

Our organization is made up of representatives involved in economic development in the western part of Kansas. Compared to urban jobs, rural employment historically lags in technical skill and wages, and rural companies add jobs one or two at a time rather than undergo large expansions. In the past, the provisions of state-sponsored incentive programs for rural counties included exceptions for lower wage rates and provided incentives for retail business investment and job creation. Rural communities have limited opportunities to access current incentive programs and have lost the competitive edge necessary to incentivize industrial manufacturing, agriculture, healthcare and retail ventures in their counties.

Reinstating the enterprise zone program is helpful to rural businesses in several areas. The income tax credits for investment and job creation are very helpful to a business starting or expanding in a small community. Also, the sales tax exemption on construction and remodeling of buildings in small communities, especially when main street buildings are renovated.

Because these sales tax collections are unrealized if the projects are not built, this is not revenue the state realizes today.