May 3, 2017

Testimony of Michael Johnston before the Senate Assessment and Taxation Committee concerning Substitute for House Bill No. 2230.

Chairman Tyson and members of the committee, I am Michael Johnston and I appear today on behalf of the Great Plains Development Authority (GPDA) in support of Substitute for House Bill No. 2230. As introduced, HB 2230 was identical to SB 129 which was heard by this committee on March 16th, 2017. The house tax committee, in response to concerns raised by both the revisors staff and staff of the department of revenue, approved this substitute measure. Revised language in the bill was developed by the revisors staff, after consultation with my client, to address their concerns but does not alter the original objective of providing a process where property tax exemptions for "leased" property were possible for development at the former Kansas Army Ammunition Plant near Parsons.

Briefly, the objective of Substitute House Bill No. 2230 is simple and straight forward-----to make clear that leased property in a redevelopment district within a former federal enclave is eligible for the economic development property tax exemption contained in Section 13 of Article 11 of the Kansas Constitution. The reason it is needed is simple and straight forward as well. GPDA, the entity responsibility for developing the former enclave, believes that many prospective business prospects may be reluctant to purchase property at that location because of its previous use to manufacture explosive munitions and possible future environmental liability. The bill limits its application to the former federal enclave and requires the county commission approval before any tax exemptions are granted.

We believe that this bill could provide a useful tool to assist in bringing badly needed jobs to the southeast region of our state. We urge your support and would be pleased to stand for questions.

GREAT PLAINS INDUSTRIAL PARK