Testimony in Opposition to HB 2793

Joseph Taylor, Kansas citizen, Overland Park, KS

House Committee on Appropriations, March 10, 2026

Chair Troy Waymaster and members of the Committee:

Executive Summary

I stand in opposition to moving forward with any aspect of the Chiefs STAR Bond issuance, which this legislation enables, until we understand how the impact to the General Fund will be ameliorated.

The impact on tax revenue is easiest to understand in real terms, by taking out inflation effects. Under Monitor 2.0 state sales tax revenue currently collected within the STAR Bond district will drop, in real terms, by the inflation rate every year. Assuming 2.5% inflation, within 10 years the revenue drops by 20%. After 25 years revenue will have dropped by almost 50%. See Appendix A for the detail.

The other way to look at this is how much revenue Monitor 2.0 provisions will generate. See Appendix B for this. Using data from the Kansas Department of Revenue we can determine that while the tax expenditure starts small within 20 years it increases to over $400,000,000 per year.

These numbers do not include the estimated $160,000,000 tax expenditure due to HPIP credits that will come due when the stadium is put into operation.

There are many other reasons to oppose this bill including :

1. Monitor 2.0 implicitly assures investors that yes, indeed, Kansas is guaranteeing payment. See Monitor 2.0, Section I, Overview, first paragraph.
2. The Department of Commerce has not publicly released any information about the feasibility study except the Executive Summary which has been described by professional economists as laughable, insane and requires everything to come together perfectly.
3. The feasibility study includes an assumption that all investments are new money and all benefits flow to Kansas. Both these assumptions are not supportable.
4. The 21,000 construction jobs cited by proponents is incorrect. It's 7,000 jobs for three years and half of those jobs will be filled by Missouri residents.
5. The feasibility study assumes no cannibalization will occur. This is demonstrably false and can be verified even with examples like the Power and Light District in Kansas City and Nebraska Furniture Mart.

As Gov. Kelly warned, "*Even with current revenues exceeding the forecast, the budget created by the state legislature still has us spending $300 to $700 million more than we receive each year for the foreseeable future.*" The Chiefs Star Bond only makes this situation worse.

Please table this proposal and request that the feasibility study be released as a condition for approval. After we have a chance to review the study then a rational decision can be made.

Appendix A:

Real Reduction in Sales Tax Revenue

Year	Real Sales/ Use Tax Revenue	Percentage of Starting Amount
2026	717,134,088	100.0%
2027	699,205,736	97.5%
2028	681,725,592	95.1%
2029	664,682,453	92.7%
2030	648,065,391	90.4%
2031	631,863,756	88.1%
2032	616,067,163	85.9%
2033	600,665,484	83.8%
2034	585,648,846	81.7%
2035	571,007,625	79.6%
2036	556,732,435	77.6%
2037	542,814,124	75.7%
2038	529,243,771	73.8%
2039	516,012,676	72.0%
2040	503,112,360	70.2%
2041	490,534,551	68.4%
2042	478,271,187	66.7%
2043	466,314,407	65.0%
2044	454,656,547	63.4%
2045	443,290,133	61.8%
2046	432,207,880	60.3%
2047	421,402,683	58.8%
2048	410,867,616	57.3%
2049	400,595,925	55.9%
2050	390,581,027	54.5%

Appendix B:

Year	Incremental Sales Tax from Existing District Allocated to Bond Payment
2026	-
2027	17,928,352
2028	36,304,913
2029	55,140,888
2030	74,447,763
2031	94,237,309
2032	114,521,594
2033	135,312,986
2034	156,624,163
2035	178,468,119
2036	200,858,174
2037	223,807,981
2038	247,331,532
2039	271,443,173
2040	296,157,604
2041	321,489,897
2042	347,455,496
2043	374,070,236
2044	401,350,344
2045	429,312,455
2046	457,973,618

Appendix C:

Additional Detailed Testimony:

Members of the Committee, the objection I have to the creation of this sports authority are:

1) This sports authority will be the vehicle by which the Star Bonds dedicated to the construction of the Chiefs stadium in Wyandotte County.
2) There have been no credible publicly available cost/benefit analysis and so it is impossible to have certainty that this project will be anything other than a sinkhole for Kansas taxpayers.
3) The size and location of the Star Bond district is not only uncertain but will remain uncertain because the Monitor 2.0 document specifically states on page 1 in the Overview that the Secretary of Commerce has the unilateral authority "establish a STAR bond district…in any size, scope or location as they deem appropriate, as may be adjusted from time to time, in order to finance the Project…"
4) As a result of the above we can truly say that the clause is either a) an example of "just kidding" or b) it will be invoked in the event of a revenue shortfall. If it's the latter, then the citizens of the state of Kansas are truly "on the hook" for these bonds which is totally contrary to public statements by the bond proponents.
5) The document appropriates incremental sales, use, and liquor tax from the district without specifying how that revenue loss will be ameliorated. Without knowing how this tax expenditure

will be covered we can only assume that the state government will look to Kansas taxpayers statewide for additional revenue.

6) The Executive Summary provided by Canyon Research/Applied Economics and used to justify this investment is so flawed that professional economists have called it "insane", "incredibly optimistic" and laughable. While the Executive Summary of the Economic Impact Study is public, it is not credible.
7) The Economic Impact Study is not credible partially because it does not recognize that economic benefit "leakage" and "cannibalization" are verifiable but not considered in the study. It also failed to account for the lost revenue to the state that will have to be made up by increasing taxes elsewhere.
8) As an example of "leakage" we only have to look at the promised jobs arising from the stadium construction. The 21,000 promised jobs, which we must assume actually means 7,000 jobs for three years, are presumed to be filled by Kansas residents. This presumption is extremely cannot be fulfilled, even considering the "Kansans first" requirement for hiring. The Census Bureau On the Map tool can verify the number of workers living in one state and working in another. For producers of goods, which includes construction, almost one-half of workers in Wyandotte county work in Missouri. Other sources indicate that for construction specifically a significantly larger percentage of Wyandotte County workers live in Missouri. And the reality is that we spend income where we live so the economic impact to Kansas of the stadium construction will be significantly attenuated.
9) Potential tax revenue from the ancillary development will result largely from cannibalization which will severely reduce expected incremental revenues.

   A legislator in a recent joint hearing about the Star Bond questioned whether cannibalization actually occurs. The answer is "Yes, absolutely". Various peer-reviewed studies have shown that a household's budget for entertainment is relatively fixed. When a household spends on entertainment it must come from some other location. This was shown with the Power & Light District in downtown Kansas City, MO where the Kansas City Star confirmed the reduction in locally owned venues as they were cannibalized by Power & Light.

   We can also see significant cannibalization of furniture stores by Nebraska Furniture Mart. The Census Bureau's County Business Patterns database for furniture stores from 2002 through 2010 (NFM opened in 2003) verifies that the number of furniture stores in the Kansas City Metro area declined after NFM opened through 2010 by 25%. Correspondingly, the payroll for furniture stores in Wyandotte County grew by almost the exact amount that was lost in other areas. This was not true for Wichita or Springfield, MO areas, so it seems that yes, NFM did cannibalize the area industry. We can expect the same from the ancillary development.