

To: House Committee on Taxation
From: Spencer Duncan, Government Affairs Director
Date: February 10, 2025
RE: HB 2304 – Economic Incentive Reporting
Neutral – Written Testimony

The cities of Kansas support transparency and understand the intent of HB 2304 is to have a better understanding of various incentive programs across Kansas. We don't have concerns with the final goal, which is why the League of Kansas Municipalities is neutral.

However, we have two concerns to bring to your attention that we hope receive consideration:

- This will only work if the reporting method established by the Department of Commerce is easy to use. For example, if the reporting can be done on a simple set of forms submitted electronically, then the reporting can be done timely and efficiently. However, if the method is paper based and requires extensive documentation that must be submitted for each program, this will be cumbersome, particularly for rural cities with small staffs.
- Section 1 (6) (J) – Lines 22-25 of the bill: This section is broad, and more clarification would be appreciated. For example, it mentions site preparation and utilities. If a city does a reconstruction project and is including work within that project of relocation of a utility or demolition in which a private entity will benefit, but is not paying for as part of the project, is that considered an incentive? Traditionally, it is considered just the cost of the overall project, not specifically defined as an incentive. It also mentions street or roadways. Does this include a new road that a city constructs leading to an area so a private company can build a new plant or warehouse?

We ask for some refinement or clarification on this section and are happy to participate in the conversation.

Thank you for your time and consideration. I am always available to provide additional information and answer any questions you have.



Spencer Duncan

Government Affairs Director, League of Kansas Municipalities
785-383-8825 sduncan@lkm.org