



## **KC Tech Council**

### **Proponent Testimony - SB 51**

#### **Kansas House Committee on Taxation**

**March 6, 2025**

#### **Chairman Smith and Honorable Members of the House Committee on Taxation:**

Thank you all for the opportunity to provide testimony on behalf of the **KC Tech Council** and our 200 plus member companies regarding the critical importance of investing in data center infrastructure. These investments ensure that we are positioned to have the tech infrastructure for future businesses to be created and thrive in Kansas.

The KC Tech Council represents a coalition of technology companies that are committed to advancing innovation, creating and expanding high-quality jobs, and driving economic growth in the region.

The KC Tech Council membership includes large tech employers like Garmin, H&R Block and Oracle, but the bulk of our membership is made up of mid-sized and small businesses like BARR Advisory and SnapIT Solutions, and other small businesses without as much name recognition but rely on the local data infrastructure that serves to support small businesses in tech.

We also know that a thriving tech infrastructure sector creates tech jobs in our region. KC Tech Council represents companies in both Kansas and Missouri, and studies economic and workforce data in both states closely. According to data from KC Tech Specs, the annual report published by KC Tech Council, the *telecommunications, cloud infrastructure, data processing and hosting* sub sectors within the tech industry **experienced a 3% reduction in jobs year over year from 2022 to 2023 in Kansas, while neighboring Missouri (which has incentives for data centers) saw a more than 10% increase in jobs in that same timeframe.** In Missouri, those jobs represent about a third of the tech workforce in the state. Simply put, Kansas is missing the opportunity to be sharing in this job growth.

Because of a strong and growing tech sector like the companies noted, we strongly support **Senate Bill 51**, which offers targeted incentives to attract data center investments to Kansas, which in turn will drive economic growth for the State.

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## Why the Tech Sector Supports Senate Bill 51

The KC Tech Council and its member companies view Senate Bill 51 as a cornerstone for sustainable growth in Kansas. Here are specific ways the bill aligns with our priorities:

1. **Attracting Major Investments:**
    - By offering targeted incentives, Kansas can attract projects requiring significant capital investment, with the legislation setting a minimum threshold of \$250 million. This sends a clear message: Kansas is open for business.
  2. **Job Creation and Workforce Development:**
    - Senate Bill 51 will provide opportunities to train and employ Kansas residents in cutting-edge fields.
    - Partnerships between tech firms and educational institutions can also be strengthened to build a pipeline of skilled workers for the future.
  3. **Meaningful for various sizes of data center projects.**
    - The bill will be meaningful for many types of data center projects that are represented in the wider KCTC membership, from hyperscale to colocation.
    - The nature of colocation data centers is such that it directly serves multiple technology employers under one roof, allowing for a shared infrastructure resource that is essential to efficient operation across many companies in the tech industry.
    - The bill's focus on equipment purchase incentives are especially meaningful because colocation centers can pass those along directly to their clients, allowing the region to attract best in class partners and enhance deeper investment in facilities.
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## The Vision for Kansas's Tech Future

We believe that Kansas is uniquely positioned to benefit from SB 51. With its central location and skilled workforce, the state can emerge as a key hub for data center activity in the Midwest. The KC Tech Council supports investing in digital infrastructure today for our future tomorrow, Kansas can lay the groundwork for:

- **Strengthened regional competitiveness**, attracting additional tech firms, creation of new small businesses, and fostering an ecosystem of innovation.
- **Community revitalization**, data centers bring new opportunities to local communities.

- **Long-term economic stability**, supported by high-value industries that will power Kansas for decades to come.

The KC Tech Council's member companies are ready to partner with state leaders to ensure this vision becomes a reality. We urge the House Committee on Taxation to pass Senate Bill 51 and take this important step toward growing the economy in Kansas.

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## **Conclusion**

The digital economy is Kansas's opportunity to lead, innovate, and thrive. Investing in data center infrastructure through Senate Bill 51 represents more than just a business incentive; it is a catalyst for economic transformation and a signal of Kansas's commitment to a prosperous future.

On behalf of the KC Tech Council and its member companies, I respectfully encourage you to vote in favor of Senate Bill 51. Together, we can ensure that Kansas remains at the forefront of technological innovation and economic growth.

Thank you for your time and consideration.