

GREAT PLAINS DEVELOPMENT AUTHORITY

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RE: SB283

Opposition

Written Only Testimony

Mr. Brad Reams, Great Plains Industrial Park Director

March 4, 2025

To The Honorable Senator Tyson, Chair, and Members of the Senate Committee on Assessment and Taxation:

SB283 and its language to eliminate PEAK and HPIP incentive programs would be devastating to economic development and the business community in Kansas. In my role as Director of the Kansas Proving Grounds and Great Plains Industrial Park, I speak with multiple companies who are considering an investment in Kansas and are members of the manufacturing industry. Without these programs, there are few reasons for companies to locate in Kansas.

It is a challenge to recruit to the largest mega-site in Kansas. Oklahoma, Missouri, Texas, and Arkansas all have large funds which can offer cash incentives to companies who choose to locate in their states. These states all have more available workforce and lower taxation due to larger populations. The HPIP and PEAK programs are attractive to those seeking a location to produce innovative technologies or act as a supplier to existing businesses in Kansas. The states previously mentioned all have programs like HPIP and PEAK. Without these programs, we are in a weaker recruiting position to land a company who is wanting to land in the Midwest. Incentives are not give aways. If a company does not come to, or has never been, in Kansas, you cannot give away something you have never had. 50 percent of new tax revenue is better than zero percent.

With continued reduction in population, Kansas needs more industry to add to the tax base. Not having programs to assist companies Kansas needs for its industrial base and population growth is counterproductive. HPIP and PEAK are not only useful in recruiting, but it also helps companies stay competitive after they have established roots in the state. This is one of the most desirable features of the programs. It rewards companies for their productivity and job growth over multiple years and it does not simply offer them cash just to relocate to the state. This incentive program construction protects the State and incentivizes companies who truly want to contribute to the Kansas economy. When these companies thrive the business climate for all Kansas companies is improved. Many of Kansas' strongest companies use HPIP and PEAK today.

My fellow economic development professionals and I have one goal. This goal is to make Kansas as great a place to live and work as possible. SB283 would greatly inhibit our efforts to accomplish this goal and recruit additional companies to our mega site.

Sincerely,

Brad Reams

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Director

Great Plains Industrial Park/Kansas Proving Grounds

