

**Proponent Testimony for SB 197, STAR Bond Extension**  
**Bob North, Chief Counsel, Kansas Department of Commerce**  
**February 10, 1:30 P.M.**  
**Room 159 S**

Thank you for allowing us to provide proponent testimony for SB 197. This bill extends the sunset on the STAR Bond program from July 1, 2026 to July 1, 2031. With the STAR Bond program booming, the agency is excited to continue the success.

The Sales Tax and Revenue (STAR) Bond Act (KSA 12-17, 160) was established in 1999. STAR Bonds are a financing tool that allows Kansas municipalities to issue bonds to finance the development of major commercial, entertainment and tourism projects. The bonds are paid off through the sales tax revenue generated by the attraction and surrounding development. The intent is to increase regional and out of state tourism; increase economic activity in the state; and improve the quality of life.

Specifically, STAR Bonds provide Kansas municipalities the opportunity to issue bonds to finance the development of major commercial, entertainment and tourism areas and attractions, drawing visitors from across the region and out of state. The new sales taxes generated by the tourist or entertainment attraction go toward paying down the bonds that were issued to help finance the project. STAR Bond attractions and amenities also improve the quality of life in our state. Currently, there are 17 projects at various stages of completion and repayment throughout the state.

Since 1999, STAR Bonds have been a critical tool for economic development in the state. It is a unique program that creates tourism and entertainment attractions. The current 17 projects have spurred economic activity in each of the regions, created jobs and increased tourism. The Village West district has been the most successful project to date. Village West now provides over \$40 million in sales tax to the state general fund every year; has created several billion dollars of private investment; and created tens of thousands of jobs. Village West's record of improving both the economy and the general welfare of Wyandotte County and the state as a whole is beyond dispute. In fact, the Village West project returns nearly as much state sales tax to the state general fund than the amount of state sales tax "foregone" by the state and applied to debt service for all other STAR Bond projects across the state.

During 2024, the agency assisted in 11 visitation and feasibility studies for potential STAR Bond projects. These potential projects are all based on tourism-related attractions and will improve the quality of life in Kansas. They have an aggregate potential capital investment of several billion dollars and are located across the state. The extension in SB197 is important to give these projects predictability and stability the STAR Bond program will be available. Recent grand

opening ceremonies were held this year at two STAR Bond districts including at Homefield in Wyandotte County and at BluHawk in Overland Park. Below is a current list of STAR Bond districts.

City	Project Name	Status
Atchison	Amelia Earhart Museum	Operational
Derby	Field Station: Dinosaurs	Phase 1: Operational Phase 2: Under Construction
Dodge City	Boot Hill Museum	Operational
Garden City	Sports of the World Complex	Under Construction
Goddard	Champion Aquatic Center, Ball Field, Softball and Baseball	Operational
Hutchinson	Salt Mine Museum	Operational
Kansas City	U.S. Soccer Training Center	Operational
Kansas City	Children's Mercy Park	Operational
Kansas City	Kansas Speedway	Operational
Kansas City	Homefield	Operational
Manhattan	Flint Hills Discovery Center Museum, Museum of Art and Light	Phase 1: Operational Phase 2: Operational
Overland Park	PrairieFire Museum	Operational
Overland Park	BluHawk Arena & Fieldhouse	Operational
Salina	Fieldhouse and Antique Car Museum	Operational
Topeka	Heartland Park Racetrack	Operational
Wichita	Riverwalk, Riverbank Improvements, Baseball Stadium	Phase 1: Operational Phase 2: Under Construction
Wichita	K-96 and Greenwich Sports Complex	Operational

The extension of the STAR bond program will allow Commerce to work with local communities to continue to utilize this tool. As the committee is considering the extension, we also ask that you make a permanent fix in the statute to hold those established districts that have a grocery store harmless since the state's food sales tax has been eliminated.

STAR Bonds play an important role in growing the Kansas economy. It is a unique program that creates tourism and entertainment attractions. We look forward to supporting our current projects and working to establish new ones.