

SCS SB 635 -- INCENTIVES FOR INTERSTATE BUSINESS RELOCATION

SPONSOR: Silvey (Jones, 110)

COMMITTEE ACTION: Voted "Do Pass" by the Special Standing Committee on Small Business by a vote of 17 to 0.

This bill restricts the use of incentives under the BUILD program, the new or expanded business facilities program, the Urban Enterprise Loan program, or the Missouri Works program for businesses that relocate from the Kansas counties of Douglas, Johnson, Miami, or Wyandotte to the Missouri counties of Cass, Clay, Jackson, or Platte. The incentives are effective when the Director of the Department of Economic Development certifies to the Governor, Speaker of the House of Representatives, and the president Pro Tem of the Senate that Kansas has adopted similar policies either through legislation or executive order. The incentives will be prohibited when Kansas no longer offers incentives for a business to relocate from Missouri to Kansas.

The provisions of this bill will expire on August 28, 2016, unless the truce is in effect, then the provisions of the bill will expire on August 28, 2020.

PROPONENTS: Supporters say that Missouri and Kansas officials are working for a level playing field to resolve the border war. The movement of companies from one side of the state line to the other, aided by state and local incentives, has been ongoing for 20 years. This bill is one step to contribute to the overall economic growth of the Kansas City region and save taxpayer dollars to be used more effectively to attract new businesses and jobs into the region.

Testifying for the bill were Senator Silvey; Fred Vreiling, Burns & McDonnell; The Civic Council of Greater Kansas City; Greater Chamber of Commerce; Sam Panettiere, City of Kansas City; and Greg Swanens, Hallmark Cards, Inc.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that Governor Brownback of Kansas had a local advisory counsel, the Kansas Border Challenge Advisory Committee, to work on this issue. They issued a report of the problems preventing a truce with Missouri. The bill, as drafted, will not produce a lasting truce. Any truce must include local incentives, and it should not leave the region less competitive than it is today. Large cities compete with each other and any law that limits this will keep that city from competing. The comments coming from Kansas do not look very promising for this truce.

Testifying on the bill was Chris Pieper, Governor's Office.