

HCS HB 1646 & 1515 -- INCENTIVES FOR INTERSTATE BUSINESS RELOCATION

SPONSOR: Jones (110)

COMMITTEE ACTION: Voted "Do Pass by Consent" by the Special Standing Committee on Small Business by a vote of 23 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 Tempore 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.

PROPOSERS: Supporters say that this issue has overwhelming support and is the result of cooperation between the two states. It addresses the wasteful economic border war between Missouri and Kansas in four counties in each state. The border war is damaging to both states and resulted in 3,200 jobs moving to Kansas while 2,800 moved to Missouri. The cost to the two states averages about \$300,000 per job. Overall, the Kansas/Missouri region has not gained jobs. Companies win, states lose. Missouri could use this wasted revenue to produce real new jobs. The legislation ends if Kansas offers incentives.

Testifying for the bill were Representative Jones (110); Bill Hall, Hall Family Foundation; Civic Counsel of Greater Kansas City; Greater Kansas City Chamber of Commerce; City of Kansas City; Burns-McDonell; and Missouri Chamber of Commerce.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that the Governor wants a solution to the border war and he met with Kansas officials. Negotiations are moving well. Both governors agreed to suspend programs they have power to do and seek legislation where needed. However, some local officials from Johnson County, Kansas have begun to push back and have stalled the negotiations. The Governor's Office is willing to work with the state legislature to end the border war.

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