

HCS SB 182 -- INTERSTATE BUSINESS RELOCATION INCENTIVES

SPONSOR: Cierpiot

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Economic Development by a vote of 10 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 0.

This bill reauthorizes the prohibition on the issuance 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 certain counties in Kansas to certain counties in Missouri, contingent on similar action taken by Kansas. Such prohibitions expired on August 28, 2016.

The provisions of the bill expire on August 28, 2021, if the provisions of the bill prohibiting incentives are not reciprocated by Kansas. If Kansas agrees to the provisions of the bill, the bill expires on August 28, 2025.

PROPOSERS: Supporters say that use of these incentives rarely create new economic activity in this unique situation since businesses can move across the states' border to take advantage of these incentives. The state of Missouri may be forgoing substantial amounts of revenue with the incentives currently in place. Additionally, the current situation of businesses crossing the states' border hurts local governments since they spend a significant amount of time working on projects to attract new businesses to their municipalities. Finally, with a new executive in place in Kansas, it is worth Missouri's effort to see if the state is willing to come to a mutual agreement to stop providing these incentives.

Testifying for the bill were Senator Cierpiot; Jackson County Legislature; Associated Industries Of Missouri; The Civic Council Of Greater Kansas City; Missouri Chamber of Commerce and Industry; Cerner Corporation; City of Kansas City; Je Dunn Construction; Hallmark; Blue Cross Blue Shield Of Kansas City; Greater Kansas City Chamber of Commerce; Economic Development Council of Kansas City; Hall Family Foundation; and South Kansas City Chamber of Commerce.

OPPOSERS: There was no opposition voiced to the committee.