

KANSAS OFFICE *of*
REVISOR *of* STATUTES

LEGISLATURE *of* THE STATE *of* KANSAS
Legislative Attorneys transforming ideas into legislation.

300 SW TENTH AVENUE ▪ SUITE 24-E ▪ TOPEKA, KS 66612 ▪ (785) 296-2321

MEMORANDUM

To: House Committee on Commerce, Labor and Economic Development

From: The Office of Revisor of Statutes

Date: 02/01/2023

Re: H.B. 2123 Establishing the office of entrepreneurship within the department of commerce, encouraging that 5% of state contracts and certain incentive funding go toward Kansas businesses that have been in operation for less than five years, encouraging the elimination of first-year business fees and requiring the office of entrepreneurship to submit an annual report to the legislature.

H.B. 2123 would establish an office of entrepreneurship within the department of commerce. The office would have the authority to: employ personnel, including at least one full-time employee; work with stakeholders and organizations to expand access to resources for entrepreneurs; and serve as a point of contact between the state and businesses operating for five years or less.

Section 3 would state that beginning July 1, 2023, the state of Kansas shall encourage 5% of the following to be directed to new Kansas businesses: (1) The total number of awarded state contracts; (2) workforce development funding that supports organizations or programs for individuals starting a new business or that provide services to new Kansas businesses; and (3) funding budgeted for economic development programs, including community development block grants. Additionally, the bill would have the state of Kansas encourage the elimination of all first-year business fees relating to any license or registration for any new Kansas business or a person establishing a new Kansas business, including home-based businesses.

Section 4 would require the office of entrepreneurship to submit a report to the standing commerce committees concerning the percentage of state contracts, workforce development funding, and economic development funding received by new Kansas businesses. Lastly, the

KANSAS OFFICE *of*
REVISOR *of* **STATUTES**
LEGISLATURE *of* THE STATE *of* KANSAS

report would state the extent to which state legislation has been signed by the governor in the prior legislative session or year that supports, hinders or otherwise affects new Kansas businesses.

H.B. 2123 would become effective upon publication in the statute book.