

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Commerce, Labor and Economic Development** recommends **HB 2292** be amended on page 1, in line 6, by striking "3" and inserting "4"; in line 7, by striking "tax credit"; in line 8, by striking "3" and inserting "4"; in line 10, after "(a)" by inserting "Act" means the Kansas apprenticeship act.

(b) "; in line 12, after "employed" by inserting "in Kansas"; in line 31, after the period by inserting ""Eligible employer" may include, but not be limited to, a for-profit eligible healthcare employer."; following line 31, by inserting:

"(f) "Eligible nonprofit employer" means an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, with a physical location in Kansas and registered, if required by law, with the secretary of state, that employs or supervises the work of an apprentice pursuant to a registered apprenticeship agreement and in accordance with a registered apprenticeship program. "Eligible nonprofit employer" may include, but not be limited to, a nonprofit eligible healthcare employer.

(g) "Eligible healthcare employer" means a hospital, long-term care facility or federally qualified healthcare center with a physical location in Kansas that is engaged in providing healthcare to Kansas residents and that employs or supervises the work of an apprentice pursuant to a registered apprenticeship agreement and in accordance with a registered apprenticeship program.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 2, in line 24, by striking all after "least"; in line 25, by striking all before the period

and inserting "all or a portion of the probationary period, as defined for that apprenticeship in the registered apprenticeship program standards, work process schedule otherwise known as appendix A or as designated by the secretary, and so employs the apprentice at the time such probationary period is completed. The tax credit shall be claimed by such eligible employer for the taxable year in which the apprentice completed the probationary period while employed by such eligible employer or the taxable year next succeeding the calendar year in which the apprentice completed the probationary period while employed by such eligible employer, as determined by the secretary and set forth in the agreement with the secretary pursuant to subsection (d). Subsequent credits may be claimed for up to three successive calendar years, or portions thereof, next succeeding the date on which the probationary period of the apprentice was met by any eligible employer who subsequently employs such apprentice in all or a portion of such year. Such credit shall be claimed by the eligible employer for the taxable year in which the apprentice was employed or the taxable year next succeeding the calendar year in which the apprentice was employed as determined by the secretary and set forth in the agreement with the secretary as provided by subsection (d)"; in line 43, after the first "year" by inserting "next";

On page 3, in line 27, after the period by inserting "The tax credit shall be claimed in the taxable year next succeeding the calendar year in which the requirements to claim the credit are met."; in line 35, by striking all after "state."; in line 36, by striking all before "The" and inserting "The aggregate amount of all tax credits for all eligible employers issued pursuant to this section shall not exceed \$7,500,000 each taxable year."; in line 37, by striking "cumulative" and inserting "aggregate"; in line 38, after "section" by inserting "in addition to all grants awarded pursuant to section 4, and amendments thereto,"; also in line 38, by striking "\$7,500,000" by inserting "\$10,000,000";

On page 4, in line 31, by striking "section" and inserting "act"; in line 36, by striking

"section" and inserting "act"; in line 41, by striking "section" and inserting "act"; in line 42, after "employers," by inserting "eligible nonprofit employers and eligible healthcare employers"; in line 43, by striking "cumulative";

On page 5, in line 1, after "credits" by inserting "and grants"; also in line 1, by striking "amount" and inserting "amounts"; in line 2, after "employer," by inserting "eligible nonprofit employers and eligible healthcare employers"; in line 5, after "credits" by inserting "and grants"; following line 7, by inserting:

"Sec. 4. (a) There is hereby established the Kansas nonprofit apprenticeship grant program. The secretary is authorized to develop and administer the program to award grants to eligible nonprofit employers and eligible nonprofit healthcare employers that employ an apprentice pursuant to a registered apprenticeship agreement and in accordance with a registered apprenticeship plan for the purpose of covering administrative costs of registered apprenticeship programs, including program development costs, costs of meeting reporting obligations and other administrative costs. To be eligible for such grants, an eligible nonprofit employer or eligible nonprofit healthcare employer shall enter into an agreement with the secretary to employ an apprentice for at least the same period of time as provided under section 3(a)(1) or (b), and amendments thereto, as applicable at the time the apprentice is employed, for an eligible employer to receive a tax credit. As provided for eligible employers by section 3(b), and amendments thereto, the secretary may authorize employment of an apprentice for less than a full year.

(b) Grants shall be awarded by the secretary in an amount of up to \$2,750 per apprenticeship per taxable year, as determined by the secretary and set forth in the agreement pursuant to subsection (d), not to exceed four successive years. Grants shall be limited to not more than 20 grants per eligible nonprofit employer or per eligible nonprofit healthcare employer

per taxable year.

(c) The secretary shall develop application procedures, forms and grant award terms, conditions and criteria in accordance with the purpose of the grant program. The secretary shall consult with appropriate state agencies, institutions, nonprofit organizations and associations, private healthcare associations, nonprofit Kansas healthcare providers and other appropriate entities in developing the grant program and grant award criteria and priorities. Grants shall be awarded pursuant to an agreement with the eligible nonprofit employer or eligible nonprofit healthcare employer upon such terms and conditions as the secretary may require consistent with the purpose of the program. Such terms and conditions may include program development, employment or training goals in addition to specified employment requirements with respect to an apprentice or apprentices.

(d) There is hereby established in the state treasury the Kansas nonprofit apprenticeship grant program fund to be administered by the secretary of commerce. All moneys credited to such fund shall be used to provide grants for the administration of apprenticeship programs by eligible nonprofit employers and eligible nonprofit healthcare employers in the state of Kansas as provided by this section and the administration of such fund. All expenditures from such fund shall be made in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of commerce or the secretary's designee.

(e) Subject to appropriation acts, on July 1, 2023, and each July 1 thereafter, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$2,500,000 from the state general fund to the Kansas nonprofit apprenticeship grant program fund. Any unexpended balance in such fund at the close of a fiscal year shall remain credited to the fund for use in the succeeding fiscal year, except that the amount of all tax credits issued to all eligible

employers pursuant to section 3, and amendments thereto, in addition to the amount of all grants issued pursuant to this section, shall not exceed a total aggregate amount of \$10,000,000 in each taxable year, as provided by section 3(d)(1), and amendments thereto.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after "development;" by inserting "enacting the Kansas apprenticeship act;"; also in line 1, after "credit" by inserting "and grant"; in line 2, by striking all after "apprenticeships;"; in line 3, by striking all before the period and inserting "creating the Kansas nonprofit apprenticeship grant program fund"; and the bill be passed as amended.

\_\_\_\_\_ Chairperson