



February 26, 2024

The Honorable Sean Tarwater, Chairperson
 House Committee on Commerce, Labor and Economic Development
 300 SW 10th Avenue, Room 346-S
 Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2638 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2638 is respectfully submitted to your committee.

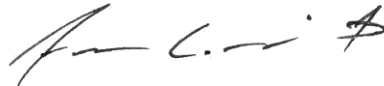
Starting July 1, 2024, HB 2638 would prohibit a person owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary from purchasing, acquiring by grant, or obtaining ownership of real property in Kansas. A foreign adversary could sell or convey real property that was acquired prior to July 1, 2024, but not to another foreign adversary. If a foreign adversary inherits real property on or after July 1, 2024, they would have 12 months to divest the property once the violation is known. The Attorney General would investigate any sale, transfer, or conveyance of real property title in Kansas if the Attorney General has reason to believe it violates the provisions of the bill. Real property that violates the provisions of the bill would be subject to forfeiture. The provisions of the bill would also be severable.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	\$330,000	\$363,000
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$330,000	\$363,000
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	3.00	3.00

The Office of the Attorney General states that it would require 1.00 Investigator FTE position, 1.00 Attorney FTE position, and 1.00 Administrative FTE position at a total cost of \$330,000 for FY 2025 and \$363,000 for FY 2026 from the State General Fund, which would provide salaries and wages and other operating costs. The agency also notes that it is likely that the bill's provisions would be challenged in court. However, the agency cannot estimate the resources that would be required or the fiscal effect if this would occur.

The Office of Judicial Administration states that the bill could increase the number of cases filed in district courts because it creates a new crime, which would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also increase the collection of docket fees that would be deposited into the State General Fund. However, a fiscal effect cannot be estimated, as the number of additional cases is unknown. Any fiscal effect associated with HB 2638 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: William Hendrix, Office of the Attorney General
Trisha Morrow, Judiciary