

SESSION OF 2008

SUPPLEMENTAL NOTE ON SENATE BILL NO. 489

As Amended by Senate Committee on
Commerce

Brief*

SB 489 deals with disbursement of funds for economic and leadership development in a region and would require regional foundations to administer a regional business development fund to carry out their economic development projects. The funds would be created to hold the contributions the foundations already are receiving. The bill also would limit how those funds can be allocated. At least 60 percent would have to be spent on job creation or retention and no more than 10 percent would be allowed for administrative costs. These limits could be waived at the discretion of the Secretary of Commerce. The unallocated funds could be utilized for the following activities:

- Business start-ups;
- Business expansion;
- Business retention;
- Business support services;
- Regional leadership development;
- Technology improvements; or
- Administrative services.

The bill also would specify that its provisions on allocation also would apply to interest earned on idle funds.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

SB 489 was introduced by the Joint Committee on Economic Development. At the hearing before the Senate Committee on Commerce, the Department of Commerce indicated the regulations it already had in place for regional foundations are very similar to the bill's provisions.

The Senate Committee on Commerce amended the bill to make the 10 percent ceiling on administrative costs binding.

The fiscal note prepared by the Division of Budget indicated any fiscal impact from the enactment of the bill would be negligible.