

Proposed Amendment
House Committee on Commerce, Labor and Economic Development
2/13/25

Prepared by the Office of Revisor of Statutes

Session of 2025

HOUSE BILL No. 2304

By Committee on Commerce, Labor and Economic Development

Requested by Representative K. Williams

2-5

AN ACT concerning economic development; relating to government transparency; requiring local governments to report certain local economic development incentive program information to the secretary of commerce; defining such programs; requiring the secretary of commerce to post such information on the economic development incentive program database maintained by the secretary; requiring certain search result presentation formats; a comprehensive report and a summary report; amending K.S.A. 2024 Supp. 74-50,226 and 74-50,227 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2024 Supp. 74-50,226 is hereby amended to read as follows: 74-50,226. As used in K.S.A. 2024 Supp. 74-50,226 and 74-50,227, and amendments thereto:

(a) "Administering agency" means the state agency or department charged with administering a particular economic development incentive program, as set forth by the program's enacting statute or, where no department or agency is set forth, the department of revenue.

(b) "Economic development incentive program" means:

(1) Any economic development incentive program administered wholly or in part by the secretary of commerce;

(2) any tax credit program, except for social and domestic tax credits, regardless of the administering agency;

(3) property that has been exempted from ad valorem taxation under the provisions of section 13 of article 11 of the constitution of the state of Kansas;

(4) property that has been purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under the authority of K.S.A. 12-1740 through 12-1749a, and amendments thereto, that is exempt from ad valorem taxation under K.S.A. 79-201a *Second*, and amendments thereto; ~~and~~

(5) any economic development fund, including, but not limited to, the job creation program fund established by K.S.A. 74-50,224, and amendments thereto, and the economic development initiatives fund,

1 established by K.S.A. 79-4804, and amendments thereto; and
2 (6) local government-based economic development programs or
3 incentives, including, but not limited to:
4 (A) Community improvement districts, K.S.A. 12-6a26 et seq., and
5 amendments thereto;
6 (B) tax increment financing, K.S.A. 12-1770 et seq., and amendments
7 thereto;
8 (C) business improvement districts, K.S.A. 12-1781 et seq., and
9 amendments thereto;
10 (D) self-supported municipal improvement districts, K.S.A. 12-1794
11 et seq., and amendments thereto;
12 (E) neighborhood revitalization act, K.S.A. 12-17,114 et seq., and
13 amendments thereto;
14 (F) downtown redevelopment act, K.S.A. 12-17,121 et seq., and
15 amendments thereto;
16 (G) transportation development districts, K.S.A. 12-17,140 et seq.,
17 and amendments thereto;
18 (H) public improvement districts, K.S.A. 12-17,152 et seq., and
19 amendments thereto;
20 (I) industrial development bonds, K.S.A. 12-3801 et seq., and
21 amendments thereto; and
22 (J) any grant, loan, lease, land acquisition, site preparation, utilities,
23 facilities, streets or roadways, workforce development, workforce training
24 or any other incentive offered by the local government and accepted by the
25 recipient that may be quantified as to the value provided to the recipient.
26 (c) "Enterprise" means a corporation, limited liability company, S
27 corporation, partnership, registered limited liability partnership,
28 foundation, association, nonprofit entity, sole proprietorship, business trust
29 or other entity engaged in business.
30 (d) "Local government" means:
31 (1) Any city, county or unified government, or any subdivision
32 thereof; or
33 (2) any instrumentality of a city, county or unified government,
34 established for the purpose of economic development of such city, county
35 or unified government, that is funded in whole or in part by such local
36 government.
37 (e) "Recipient" means the enterprise, identified by the business name
38 filed with the secretary of state, that is the original applicant for and that
39 receives proceeds from an economic development incentive program
40 directly from the administering agency. "Recipient" includes an enterprise
41 that is no longer solvent due to bankruptcy and a recipient with respect to
42 an economic development project that has failed. If the "recipient" is an
43 enterprise created primarily for the purpose of the economic development

1 project, "recipient" includes the enterprise or enterprises, partners or
2 principals that own or, individually or with other enterprises, have a
3 controlling interest in the "recipient."

4 (f) "Searchable website or web page" means a website or web page
5 that allows the public to search and aggregate the information identified
6 and required to be provided by this section and K.S.A. 74-50,227, and
7 amendments thereto, including requirements that the website or web page
8 offer users the ability to efficiently search and display data at least by
9 economic development incentive program, recipient and location of the
10 economic development project by county.
11 (g) "Social and domestic tax credits" means the adoption credit
12 created pursuant to K.S.A. 79-202a 79-32,202a, and amendments thereto,
13 the earned income tax credit created pursuant to K.S.A. 79-32,205, and
14 amendments thereto, the food sales tax credit created pursuant to K.S.A.
15 79-32,271, and amendments thereto, the child and dependent care tax
16 credit created pursuant to K.S.A. 79-32,111c, and amendments thereto, and
17 the homestead property tax refund created pursuant to K.S.A. 79-4501 et
18 seq., and amendments thereto.

19 (f)(h) "Tax credit program" means any credit allowed against the tax
20 imposed by the Kansas income tax act, the premium or privilege fees
21 imposed pursuant to K.S.A. 40-252, and amendments thereto, or the
22 privilege tax as measured by net income of financial institutions imposed
23 pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and
24 amendments thereto.

25 Sec. 2. K.S.A. 2024 Supp. 74-50,227 is hereby amended to read as
26 follows: 74-50,227. (a) The department of commerce shall collect
27 incentive data from economic development incentive programs that
28 provide more than \$50,000 of annual incentives from administering
29 agencies or local governments as required by this section. Such data shall
30 be collected from administering agencies or local governments and be
31 stored in a database that is available to the public in a digital format. The
32 database shall contain information from multiple years and must be
33 searchable, printable and available to access over the internet on the
34 department of commerce's website on a permanently accessible web page
35 that may be accessed via a conspicuous link to that web page placed on the
36 front page of the department's website. Information included in the
37 database shall be updated by the department of commerce at least on an
38 annual basis and such update shall be completed prior to the end of the
39 following fiscal year in which such incentive was earned or distributed.
40 The database shall be a searchable website or web page that is
41 comprehensive of all information required by this section for all years as
42 required by this section and shall permit searches by a user of such
43 information by economic development incentive program, county and

calculate incentive totals for each category claimed by year and be
searchable by year.

1 recipient. The database shall permit the user, on one web page and by
 2 means of an easily accessible drop-down menu or other similar prompt, to
 3 select to search at least by keyword or phrase within separately identified
 4 categories of economic development incentive program, county and
 5 recipient name. A search result shall include all information required by
 6 this section, and such information applicable to the search result shall be
 7 in one printable or downloadable report. In addition to such a
 8 comprehensive report, the database shall be configured to provide a
 9 summary report in response to a search when requested. The summary
 10 report shall provide the total incentives awarded to the recipient and the
 11 total incentives that have been ~~provided to the recipient~~. Such information
 12 shall be produced by economic development incentive program, county
 13 and recipient name.

14 (b) (1) Local governments shall provide the department of commerce
 15 with all available and reasonably obtainable information required by this
 16 section for all active economic development incentive programs of such
 17 local government commenced prior to July 1, 2025, that provide more
 18 than \$50,000 in value in annual incentives. On and after July 1, 2025,
 19 requiring the provision of all information required by this section as
 20 necessary from a recipient and providing such information to the
 21 department of commerce by the local government shall be a condition of
 22 commencing or providing any incentive to a recipient pursuant to any
 23 economic development incentive program that will provide more than
 24 \$50,000 in value in annual incentives. Information required by this section
 25 for programs commencing after July 1, 2025, shall be provided to the
 26 department of commerce within 30 days of the execution of an economic
 27 development incentive program agreement between the local government
 28 and the recipient. The local government shall provide updates of all
 29 applicable information required by this section to the secretary of
 30 commerce, in the manner and form as required by the secretary, at least
 31 annually and at such additional time or times as may be required by the
 32 secretary.

33 (2) On an after July 1, 2025, any recipient that will receive more than
 34 \$50,000 in value in annual incentives from any economic development
 35 incentive program provided by a local government or any administering
 36 agency shall, as a condition of the award of such incentives, agree to
 37 provide all information required by this section to the secretary, at such
 38 times and in the form and manner as required by the secretary, for
 39 publication on the department's database as provided by this section.

40 (b)(c) The database required to be created by subsection (a) shall
 41 contain the following information ~~or shall contain a link by which the user~~
 42 ~~can access such information~~.

43 (1) User information for each economic development incentive

The database shall be capable of calculating
total incentives by each category by year
and be searchable by year.

, the number of years the incentive may be claimed, the total
unencumbered incentive award that may be claimed

claimed by

per year

Such summary report shall be provided to the house committee on
commerce, labor and economic development and the senate
committee on commerce on or before January 31 of each year and
shall disclose the most recent three years of economic incentives
claimed and the total amount of funds committed by the state or the
local government that are required to be paid as an incentive over
the entire period of the incentive.

All information shall be provided in the manner as required by the secretary.
The secretary shall make a form or format for the available for local
governments to report information in a simple online format and shall only
require submissions of information in digital form.

. Local governments shall provide the information specified in
subparagraphs (A) through (H) to the secretary on or before July 1,
2026, subparagraphs (A) through (I) to the secretary on or before July 1,
2027; and subparagraphs (A) through (J) to the secretary on or before
July 1, 2028 and thereafter as required by this section.

1 program, including the:

2 (A) Names and addresses, ~~including county~~, of recipients receiving
3 benefits from the program and, for sales tax and revenue bonds issued
4 under the STAR bond financing act, K.S.A. 12-17,162 et seq., and
5 amendments thereto, the names of principals and officers for each project
6 developer;

7 (B) annual amount of incentives claimed, distributed to or received
8 by each recipient and any remaining balance of the total amount of
9 incentives claimed or awarded to the recipient;

10 (C) qualification criteria for the economic development incentive
11 program, including, if available, qualification criteria specific to the
12 recipient. Qualification criteria shall include, but not be limited to, any
13 requirements regarding the number of jobs created or the amount of initial
14 or annual capital improvement;

15 (D) required benchmarks for continued participation in the economic
16 development incentive program and progress made toward the
17 benchmarks; and

18 (E) years for which the recipient has received benefits under the
19 economic development incentive program;

20 (2) descriptive information for each economic development program,
21 which shall include:

22 (A) A description and history of the program, including its inception
23 date;

24 (B) the purpose or goals of the program and the criteria for
25 qualification;

26 (C) applications for the program, if any, and relevant resources or
27 contacts;

28 (D) the program cost and return on investment, including
29 assumptions used to calculate the return on investment;

30 (E) the program compliance rate;

31 (F) annual reports, if required by statute; and

32 (G) evaluations of the program, if any; and

33 (3) annual data, which shall be organized by recipient, county and
34 program and shall include the:

35 (A) Total amount of annual incentives from a program claimed or
36 received by a recipient;

37 (B) total amount of incentives received by recipients in each county;
38 and

39 (C) total amount of incentives distributed by each program.

40 ~~(E)~~(d) Data collected pursuant to this section ~~must~~ shall be aggregated
41 and provided by program, recipient and county.

42 ~~(F)~~(e) Except as otherwise provided in this subsection, and
43 notwithstanding any information publication requirements listed in this

1 section, no information shall be disclosed by the secretary of commerce
 2 under this section if such disclosure would:

- 3 (1) Violate any federal law;
- 4 (2) violate the confidentiality provisions of any agreement executed
 5 before July 1, ~~2019~~ 2025;
- 6 (3) in the discretion of the secretary of commerce, be detrimental to
 7 the development of a STAR bond project or jeopardize an economic
 8 development incentive program or project; or
- 9 (4) disclose the names or other personally identifying information of
 10 individuals who have made contributions or investments pursuant to the
 11 provisions of an economic development incentive program for the purpose
 12 of receiving a tax credit.

13 Information that is otherwise publicly available shall not be considered
 14 confidential and shall be subject to publication as provided in this section.

15 ~~(e)(f)~~ (1) The secretary of commerce shall report in writing to the
 16 standing committee on commerce, labor and economic development of the
 17 house of representatives and the standing committee on commerce of the
 18 senate any information not disclosed by the secretary pursuant to
 19 subsection (d)(3) and the reason *why* the information was not disclosed.
 20 *Commencing on January 31, 2026, such reports shall be made on or*
 21 *before January 31 of each year for such information not disclosed in the*
 22 *fiscal year ending the preceding June 30. Any testimony or oral*
 23 *presentation before the committee or discussion by the committee with*
 24 *respect to the report shall be considered the discussion of data relating to*
 25 *financial affairs or trade secrets of corporations, partnerships, trusts, and*
 26 *individual proprietorships pursuant to the provisions of K.S.A. 75-4319(b)*
 27 *(4), and amendments thereto, for purposes of the Kansas open meetings*
 28 *act, and shall be closed to the public.*

29 (2) The report of the secretary pursuant to subsection ~~(e)(4)~~ *(f)(1)*
 30 shall be confidential and shall not be subject to the provisions of the
 31 Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto,
 32 except that two years after the report is submitted to a legislative
 33 committee, such report shall be a public record open for inspection under
 34 the Kansas open records act, K.S.A. 45-215 et seq., and amendments
 35 thereto.

36 Sec. 3. K.S.A. 2024 Supp. 74-50,226 and 74-50,227 are hereby
 37 repealed.

38 Sec. 4. This act shall take effect and be in force from and after its
 39 publication in the statute book.

(g) The secretary may impose a 1% administrative fee, not to exceed \$1000, upon each recipient of an economic development incentive program administered by the secretary for the purpose of payment of costs incurred by the secretary for administering and maintaining the database required by this section.