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REVISOR of STATUTES

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MEMORANDUM

To: Senate Committee on Government Efficiency
From: Office of Revisor of Statutes
Date: March 10, 2025
Subject: HB 2304 (As Amended by HC)

House Bill No. 2304 requires local governments to report certain local economic development incentive program information to the secretary of commerce and the secretary to post such information on the economic development incentive program database maintained by the secretary.

Section 1 amends K.S.A. 74-50,226 to add certain local government-based economic development programs or incentives to the definition of "economic development incentive program" and include a definition of "local government" to mean:

- (1) Any city, county or unified government, or any subdivision thereof; or
- (2) any instrumentality of a city, county or unified government, established for the purpose of economic development of such city, county or unified government, that is funded in whole or in part by such local government.

The bill requires recipients of incentives to be identified by the business name filed with the secretary of state and if the recipient is an enterprise created primarily for the purpose of the economic development project, it includes the enterprise, partners or principals that own or have a controlling interest in the recipient.

"Searchable website or web page" means a website or web page that allows the public to search and aggregate the information identified and required to be provided by K.S.A. 74-50,226 and 74-50,227, including requirements that the website or web page offer users the ability to efficiently search and display data at least by economic development incentive program, recipient and location of the economic development project by count and calculate incentive totals for each category claimed by year and be searchable by year.

Section 2 amends K.S.A. 74-50,227 to require the department of commerce to collect incentive data from local governments and place such data on a searchable website or web page that is comprehensive of all information for all years and shall permit searching by a user by economic development incentive program, county and recipient. The database shall have an

easily accessible drop-down menu to select to search by keyword or phrase and a search result shall include all information required by this section in one printable or downloadable report. The database shall also be configured to provide summary reports when requested by the user.

This section also provides for when local governments shall provide the department information on local government economic development incentive programs and that on and after July 1, 2025, any recipient of more than \$50,000 in annual incentives shall, as a condition of the award, agree to provide all information required by this section to the secretary for publication on the department's database.

The House committee on commerce, labor and economic development amended HB 2304 to require that the database be capable of calculating total incentives for each category claimed by year and be searchable by year and added more detail in the summary report concerning the number of years that the incentive may be claimed, the total unencumbered incentive award that may be claimed and the total incentives that have been claimed by the recipient per year. Such summary report shall be provided to both House and Senate commerce committees on or before January 31 of each year and shall disclose the most recent three years of incentives claimed and total amount of funds committed by the state or local government that are required to be paid over the entire period of the incentive. The House committee also amended the bill to provide that all information shall be provided in the form and manner as required by the secretary and provide a timeframe for when local government-based economic development incentive program information shall be provided. Finally, the House committee amended the bill to allow the secretary to impose an administrative fee of 1% of the amount of the total incentive, not to exceed \$1,000, upon each recipient of an economic development incentive program administered by the secretary for the purpose of the payment of costs incurred by the secretary for administering and maintaining the database.

The House passed HB 2304 on February 20, 2025, by a vote of 97-26.