



February 26, 2025

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 2290 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2290 is respectfully submitted to your committee.

The bill would create the Kansas Land and Military Installation Protection Act. The purpose of the Act would be to protect certain real property and military installations by prohibiting countries of concern and any of its agents from acquiring any interest in those properties. A country of concern would be defined as a foreign adversary as defined by 15 C.F.R. § 7.4 that is in effect on April 1, 2025, and any organization designated as a foreign terrorist organization as defined by 8 U.S.C. § 1189 that is in effect on July 1, 2025. A country of concern would not include the Republic of China, also known as Taiwan. A foreign principal would not be allowed to directly or indirectly acquire interest in real property located within 100 miles of a military installation in this state or adjacent state, except a de minimis interest. If a foreign principal directly or indirectly owns or acquires interest in this type of real property, they would be required to file registration of ownership with the Attorney General within 90 days after July 1, 2025, or the date that the interest is acquired, whichever is later. If the foreign principal fails to register the real property, they would be required to divest the property. A copy of all documentation of the divestiture would be submitted to the Attorney General within 30 days of the divestiture.

A person could report a suspected violation of the bill to the Attorney General in a manner prescribed by the Attorney General and the Attorney General would investigate violations reasonably suspected of violating the provisions of the bill. A foreign principal could enter into an agreement with the Attorney General to divest property within 360 days of entering into such agreement. If a violation has occurred, the Attorney General would seek a court order to direct

divestiture of the real property, injunctive relief, civil forfeiture of the property, and reasonable attorney fees and court costs. The Attorney General would also be required to prepare and submit a report on any identified non-notified transactions to the Committee on Foreign Investment in the United States and a copy would also be sent to the Governor, the Adjutant General, and the House and Senate Committees on Federal and State Affairs. In addition, by each February 1 the Attorney General would be required to prepare and submit a report to the Governor, the Adjutant General, the House Committee on Commerce, Labor and Economic Development, and the Senate Committee on Commerce. No foreign principal could receive a direct benefit related to any economic development program. The Attorney General would be required to establish policies and procedures to report violations of the bill no later than January 1, 2026.

When an organization is designated as a foreign terrorist or has such designation revoked pursuant to 8 U.S.C. § 1189, the Fusion Center Oversight Board could adopt rules and regulations to reflect such designation or revocation, only after the Board gives due consideration of the risks to state and national security and the economic costs and benefits of such action. The Board could not designate an organization as a foreign terrorist organization that is not designated as such in 8 U.S.C. § 1189. No later than March 1 of each year, Kansas State University would prepare and submit a report to the Legislature and the Attorney General detailing the status and trends of all foreign land holdings of real property within the state of Kansas. Finally, the provisions of the bill would be severable.

Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	--	\$822,657	\$838,789
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$822,657	\$838,789
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	3.00	3.00

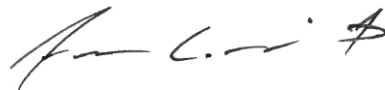
The Office of the Attorney General states that it would require \$822,657 in FY 2026 and \$838,789 for FY 2027 from the State General Fund to perform the responsibilities required under the bill. Of the amount for FY 2026, \$63,755 would be for 1.00 Legal Assistant position, \$60,839 would be for 1.00 Investigator position, \$133,905 would be for 1.00 Assistant Attorney General position, \$500,000 would be for litigation costs, and \$64,158 would be for operating expenditures. For FY 2027, the agency estimates a 5.0 percent increase of expenditures above FY 2026.

The Office of Judicial Administration states that the bill could increase the number of cases filed in district court because the bill allows the Attorney General to bring a court action. This 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, the Office cannot determine a precise fiscal effect of the bill.

The Department of Commerce, the Adjutant General, and the Department of Revenue all state that the bill would not have a fiscal effect on agency operations. However, the Department of Revenue states that if foreign principals currently receive benefits from an economic development program, they would no longer receive those benefits under the bill which could increase State General Fund revenues by an unknown amount.

Kansas State University states that it would require \$17,015 from the State General Fund starting in FY 2026. The amount includes \$10,465 for 0.08 Extension Assistant position and \$6,550 for 0.05 Faculty Member position to prepare, review, and submit the annual report. Any fiscal effect associated with HB 2290 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Michael Neth, Office of the Adjutant General
Matt Bingesser, Office of the Attorney General
Sherry Rentfro, Department of Commerce
Lynn Robinson, Department of Revenue
Trisha Morrow, Judiciary