



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 2293 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2293 is respectfully submitted to your committee.

HB 2293 would prohibit a governmental agency from purchasing or acquiring any drone or any related services, maintenance agreements, or equipment if the critical components were produced in any country of concern or produced or owned by any foreign principal. The bill defines “country of concern” and “foreign principal.” Any critical components for drones or any related services or equipment that were acquired prior to July 1, 2025, and not in compliance with the bill’s provisions would be allowed to be used by a governmental agency that acquired the equipment. When a governmental agency determines that a critical component must be replaced, the agency would be allowed to use any replacement component acquired prior to July 1, 2025, but no new replacement component could be acquired from any foreign principal. The bill would list certain exceptions to the prohibited acquisitions. The bill’s provisions would not apply to any contract or agreement entered into prior to July 1, 2025.

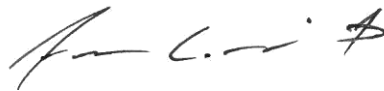
The bill would prohibit state agencies from entering into a contract or agreement to procure final or finished goods or services from a foreign principal, with certain exceptions. The bill would permit a state agency to enter into a contract or agreement to procure final or finished goods from a foreign principal if: (1) the agency previously received a determination that there are no unresolved national security concerns; or (2) the agency has a national security agreement in effect on July 1, 2025, with the Committee on Foreign Investment in the United States, or the U.S. Department of Defense as of July 1, 2025, and maintains the national security agreement. The bill would specify this prohibition would not apply to any contract or agreement entered into prior to July 1, 2025.

The Kansas Department of Transportation indicates that most of the drones it currently uses comply with the provisions of the bill. However, enactment of the bill would require the agency to replace six drones, which would require an increase of \$110,000 to the expenditure limitation of the agency operations account in FY 2026. The Department states that the bill would require the agency to ensure that critical components of drones are sourced through firms that are not from countries of concern or foreign principals, and if critical components are not able to be acquired, the aircraft would have to be grounded.

The Highway Patrol states there would be no fiscal effect to agency operations if the bill is enacted. Any fiscal effect associated with HB 2293 is not reflected in *The FY 2026 Governor's Budget Report*.

The League of Kansas Municipalities states enactment of the bill would have a fiscal effect on cities because of software upgrades. The Kansas Association of Counties indicates enactment of the bill could have a fiscal effect on counties if they need to replace drones that they currently own. However, neither organization can estimate a fiscal effect.

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: Matt Bingesser, Office of the Attorney General
Trisha Morrow, Judiciary
Brendan Yorkey, Department of Transportation
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties