

February 27, 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 2346 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2346 is respectfully submitted to your committee.

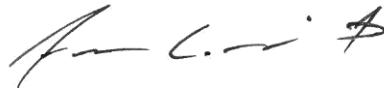
HB 2346 would create the Kansas Sports Tourism Grant Program to be administered by the Department of Commerce. The purpose of the program would be to provide grants to tourism or sports-related organizations to support and enhance sports tourism events in Kansas, which would assist communities to attract high quality sports events that generate significant economic impact through out-of-state guest and participant spending. The bill would also create the Kansas Sports Tourism Grant Committee to oversee the program in collaboration with the Secretary of Commerce. The Committee would review grant applications and determine recipients of such grants using criteria explained in the bill. The bill would also specify how applicants would apply for grant awards under the program. The bill would detail how the Committee would allocate total funds available between sporting events with a minimum economic impact of \$2.5 million and other events that generate a minimum economic impact of \$250,000. The Secretary would award grants approved by the Committee.

HB 2346 would also create the Kansas Sports Tourism Program Grant Fund to be administered by the Secretary of Commerce. The fund would be used to award grants under the new program. On July 1, 2025, and each July 1 thereafter, \$3,575,000 would be transferred from the State Economic Development Initiatives Fund to the Kansas Sports Tourism Program Grant Fund. The aggregate total of grants awarded each fiscal year would be limited to \$3,575,000.

The Department of Commerce states that it would require \$94,500 from the State General Fund for 1.00 Program Manager position to administer the Kansas Tourism Grant Program beginning in FY 2026. Any fiscal effect associated with HB 2346 is not reflected in *The FY 2026 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities state enactment of HB 2346 could increase local governments' revenues if there is an increase in events and tourism to the state.

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: Sherry Rentfro, Department of Commerce