

March 12, 2024

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:

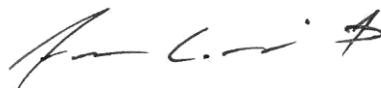
**SUBJECT:** Fiscal Note for HB 2775 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2775 is respectfully submitted to your committee.

Currently, the Department of Commerce charges an application fee up to \$750 for administering economic development incentive programs, including the Kansas Industrial Training and Retraining Program, the High Performance Incentive Program, the Promoting Employment Across Kansas Act, and the Job Creation Program. HB 2775 would change the current application fee to between 0.5 percent and 2.0 percent of the total economic development program incentive package amount.

The Department of Commerce indicates HB 2775 would generate additional revenues from the increase in fees; however, the agency is unable to estimate a fiscal effect because the fee would be a range based on the total incentive package. It is difficult for the agency to predict the number and size of projects that could be awarded in a year, which makes it impossible to project revenues from fees charged for the projects. Any fiscal effect associated with HB 2775 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt  
Director of the Budget

cc: Sherry Rentfro, Department of Commerce