

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2483

As Amended by Senate Committee on
Commerce

Brief*

HB 2483, as amended, would eliminate the requirement for the Legislative Division of Post Audit (LPA) to conduct recurring audits of the implementation of the 911 system, Kansas Public Employees Retirement System (KPERs) audits, and the following economic development incentive audits:

- Economic development incentive programs administered by the Secretary of Commerce;
- Any tax credit program, except for social and domestic tax credits;
- Property that has been exempted from ad valorem taxation;
- Property that has been purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged, or remodeled with all or any part of the proceeds of revenue bonds issued and that is exempt from ad valorem taxation; and
- Any economic development fund, the Job Creation Fund, and Economic Development Initiatives Fund, as selected by the LPA.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill also would require the Legislative Post Audit Committee to review any new economic development incentive program four years after it commences, provided that the program:

- Is recommended for review by the House Committee on Commerce, Labor and Economic Development or the Senate Committee on Commerce, and
- Provides more than \$50,000 of annual incentives.

The bill also would authorize the Legislative Post Audit Committee to postpone the initial audit of such economic development programs to five years after commencement of the program in a manner consistent with the intent of statute should it be required to conform with LPA's available resources in consideration of other statutory requirements of LPA.

Background

The bill was introduced by the Legislative Post Audit Committee.

House Committee on Commerce, Labor and Economic Development

In the House Committee hearing, neutral testimony was provided by a representative of LPA, who generally stated any future audit request could be made as an ad-hoc request.

No other testimony was provided.

The House Committee amended the bill to require one-time audits by LPA of new economic development incentive programs two years after implementation, and no later than three years, for those programs that:

- Provide more than \$50,000 of annual incentives from administering agencies;
- Have not been previously audited; and
- Have been recommended for review by either the House Committee on Commerce, Labor and Economic Development or the Senate Committee on Commerce.

The House Committee also amended the bill to remove the legislative requirement to review the Kansas 911 Act at the regular legislative session every five years.

Senate Committee on Commerce

The Senate Committee did not hold a hearing on HB 2483 due to the contents being substantially similar to those found in SB 330.

The Senate Committee amended the bill to change the time frame for required audits for economic development programs from two to four years after commencement with the option of five years if certain requirements are met.

SB 330

In the Senate Committee hearing, neutral testimony was provided by a representative of LPA. The representative noted that the bill was introduced at the request of the Legislative Post Audit Committee and that staff recommended the removal of the one year audit of economic development programs due to the lack of measurable activity by said programs after only one year of existence. It was additionally noted that having fewer required audits would allow for an increased capacity for LPA to conduct requested audits from members of the Legislature and the Legislative Post Audit Committee.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the LPA indicates enactment of the bill would reduce expenditures from the local 911 Operations Fund that pays for the 911 audit by approximately \$80,000 every five years.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

An updated fiscal note on the amended bill was not available to the Senate Committee when the Committee took action.

Legislative Post Audit; statutory audits; 911 implementation; Kansas Public Employees Retirement System; economic development