

SESSION OF 2024

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 271**

As Recommended by House Committee on  
Commerce, Labor and Economic Development

**Brief\***

House Sub. for SB 271, would prohibit government agencies from purchasing, acquiring, or using drones or related services and equipment whose critical components were produced in a country of concern, or whose critical components were produced or owned by a foreign principal.

The bill would also create a fund to reimburse governmental agencies who transfer critical components as directed under the bill.

***Drone Procurement and Usage***

The bill would prohibit government agencies from purchasing and acquiring drones whose critical components were produced in a country of concern, or whose critical components were produced or owned by any foreign principal.

Until July 1, 2029, a government agency could continue use a drone acquired prior to July 1, 2024.

***Component Replacement***

When a government agency determines a critical component must be replaced, the agency would be allowed to use any replacement component acquired prior to July 1,

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\*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>

2024, but no new replacement component could be acquired from any foreign principal unless:

- There is no other reasonable means to acquire such critical components or of addressing the needs of the agency necessitating the purchase;
- An agreement for such acquisition is approved by the Secretary of Administration after consulting with the Adjutant General; and
- Failing to acquire such components or otherwise address the agency's need would pose a greater threat to state safety and security than the risk posed by acquiring the component.

### ***Drone Transfer and Reimbursement***

The bill would create the Kansas Drone Rehabilitation Fund (KDRF) that would be administered by the Attorney General. On July 1, 2024, the bill would require a \$2.5 million transfer from the State General Fund to the KDRF.

All moneys credited to the fund could be expended or transferred only for:

- Researching and refurbishing of drones by Wichita State University and Kansas State University; and
- Reimbursement to governmental agencies for replacing drones.

The fund would sunset on July 1, 2029.

## ***Definitions***

### *Drone*

The bill would define “drone” as an unmanned aircraft that is controlled remotely by a human operator or that operates autonomously through computer software or other programming.

### *Critical Components*

The bill would define “critical components” as meaning a component or subcomponent that is a distinct and serviceable article and the primary component of an identifiable process or subprocess necessary to the recording, storing, or transmitting of data or any other form of information.

### *Country of Concern*

The bill would define “country of concern” as meaning the following countries:

- People’s Republic of China, including the Hong Kong Special Administrative Region;
- Republic of Cuba;
- Islamic Republic of Iran;
- Democratic People’s Republic of Korea (North Korea);
- Russian Federation; and
- Bolivarian Republic of Venezuela.

The bill would exclude the Republic of China (Taiwan) from the countries of concern definition.

### *Foreign Principal*

The bill would define “foreign principal” to mean:

- The government or any official of the government of a country of concern;
- Any political party, or subdivision, or any member of a political party of a country of concern;
- Any corporation, partnership, association, organization, or other combination of persons organized under the laws of or having its principal place of business in a country of concern. The definition would also include any subsidiary owned or wholly controlled by any such entity;
- Any agent of or any entity otherwise under the control of a country of concern;
- Any individual whose residence is in a country of concern and who is not a citizen or lawful permanent resident of the United States; or
- Any individual, entity, or combination described above that has a controlling interest in any company formed for the purpose of manufacturing, distributing, transporting or selling critical components for drones and related services and equipment.

### **Background**

The House Committee on Commerce, Labor and Economic Development amended the provisions of HB 2820 pertaining to drone technology. The House Committee removed the contents of SB 271 and inserted the contents of HB 2820 as amended. The House Committee then recommended a substitute bill, House Sub. for SB 271.

SB 271, as amended by the Senate Committee of the Whole, would have added law regarding the maximum length of a train, distances between railroad crossings and rail cars stored on sidings, and enforcement of those provisions.

[*Note:* The provisions of SB 271, as amended by the Senate Committee of the Whole, were not retained in the House substitute bill.]

Background information for SB 271 is contained in the supplemental note for that bill.

### ***HB 2820 (Drone Technology)***

HB 2820 was introduced by the House Committee on Appropriations at the request of Representative Croft.

### ***House Committee on Commerce, Labor and Economic Development***

In the House Committee hearing, **proponent** testimony was provided by Representative Croft, and a representative of State Armor Action. The proponents generally stated the bill would address national security risks within the state.

Neutral testimony was provided by a representative of the Kansas Association of Chiefs of Police, Kansas Peace Officers Association, and the Kansas Sheriffs Association. The testimony generally stated the bill addresses a security risk but it is non-funded and would be costly to implement.

Written-only proponent testimony was provided by a representative of American Global Strategies.

Written-only neutral testimony was provided by a representative of the Kansas Legislative Policy group.

No other testimony was provided.

The House Committee amended the bill to:

- Insert provisions that would prohibit an agency from selling or discarding any critical drone component not in compliance with the bill and require a transfer of such component to Wichita State University or Kansas State University for research and rehabilitation purposes;
- Create a fund to reimbursement agencies transferring their drone for research and rehabilitation and purchasing a new drone of like kind and quality to the transferred drone; and
- Update the drone definition to only include unmanned aircraft.

### **Fiscal Information**

According to the fiscal note prepared by the Division of Budget on HB 2820, as introduced, the Highway Patrol indicates enactment of the bill would require replacement of existing equipment with authorized suppliers' equipment at an estimated one-time cost of \$258,708 in Fiscal Year (FY) 2024. The agency states that the expenditures would be incurred in FY 2024 because it is currently in the process of replacing drone equipment and would accommodate the bill's provisions in its current purchasing plan.

The 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 four drones, which would require an increase of \$50,996 to the expenditure limitation of the agency operations account in FY 2025.

The Adjutant General and the Kansas Bureau of Investigation indicate enactment of the bill would not have a fiscal effect on the agencies.

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

The League of Kansas Municipalities states enactment of the bill could have a fiscal effect on cities if existing drones need to be upgraded. The Kansas Association of Counties indicates enactment of the bill could have a fiscal effect on counties that are required to replace drones that are currently owned.

Country of concern; foreign principal; drone; critical infrastructure