

CHAPTER 144  
HOUSE BILL No. 2554

AN ACT concerning economic development; pertaining to the economic revitalization and investment act; authorizing the issuance of bonds for certain economic development projects; pertaining to the promoting employment across Kansas act; pertaining to qualifications for benefits under such act; duties of secretary of revenue; reporting requirements; amending K.S.A. 2009 Supp. 74-50,103, 74-50,136, 74-50,210, 74-50,211, 74-50,212, 74-50,213, 74-50,214, 79-3234, 79-32,153, 79-32,160a and 79-32,243 and repealing the existing sections.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 2009 Supp. 74-50,136 is hereby amended to read as follows: 74-50,136. (a) The provisions of this section shall be known and may be cited as the “economic revitalization and reinvestment act.”

(b) The purpose of the economic revitalization and reinvestment act is to foster Kansas employment by encouraging product development and engineering leading to new manufactured products in Kansas.

(c) As used in this act:

(1) “Base eligibility period” means the three taxable years immediately preceding the date of application for benefits under this act.

(2) “Eligible aviation business” means a person, corporation, partnership or other entity engaged in the aviation manufacturing or service industry and doing business in Kansas that satisfies conditions imposed by the secretary, which may include, among other conditions, that the person, corporation, partnership or other entity:

(A) Paid at least \$150,000,000 in average annual gross Kansas compensation, according to reports filed with the secretary of labor, during the base eligibility period;

(B) paid at least \$50,000 of average annual gross compensation per Kansas employee during the base eligibility period;

(C) has invested at least \$500,000,000 in real and tangible personal property located within and currently used in the operation of a business in Kansas; and

(D) is described by the north American industrial classification system as being in the manufacturing or service sector.

(3) “Eligible aviation project” means a research, development, engineering or manufacturing project (A) undertaken by an eligible aviation business relating to the development of a new or improved business component or product and may include, but not be limited to, product development and design, applied research, manufacturing, improvement, replacement or acquisition of real or personal property and modernization and retooling of existing property in Kansas, (B) for which the eligible aviation business proposes to invest not less than \$500,000,000 in Kansas in direct connection with the eligible aviation project of not less than \$500,000,000 in Kansas and (C) for which the eligible aviation business proposes to employ up to 4,000 full-time employees in Kansas, as defined in K.S.A. 74-50,114, and amendments thereto.

(4) “Eligible business” means a person, corporation, partnership or other entity doing business in Kansas that satisfies conditions imposed by the secretary, which may include, among other conditions, that the person, corporation, partnership or other entity:

(A) Paid at least \$600,000,000 in average annual gross Kansas compensation, according to reports filed with the secretary of labor, during the base eligibility period; and

(B) paid at least \$50,000 of average annual gross compensation per Kansas employee during the base eligibility period; and

(C) has invested at least \$1,000,000,000 in real and tangible personal property located within and currently used in the operation of a business in Kansas; and

(D) is described by North American industrial classification system as being in the manufacturing sector.

(5) “Eligible project” means a research, development, engineering or manufacturing project (A) undertaken by an eligible business relating to the development of a new or improved business component or product and may include, but not be limited to, product development and design, applied research, manufacturing, improvement, replacement or acquisition of real or personal property and modernization and retooling of existing property in Kansas, (B) for which the eligible business proposes to

invest not less than \$500,000,000 in Kansas in direct connection with the eligible project of not less than \$500,000,000 in Kansas and (C) for which the eligible business proposes to employ up to 4,000 full-time employees in Kansas, as defined in K.S.A. 74-50,114, and amendments thereto.

(6) “Eligible wind or solar energy business” means a person, corporation, partnership or other entity engaged in the wind or solar energy manufacturing industry and doing business in Kansas that satisfies conditions imposed by the secretary, which may include among other conditions, that the person, corporation, partnership or other entity:

(A) Pay at least \$32,500 of average annual compensation per Kansas employee; and

(B) is described by the North American industrial classification system as being in the manufacturing sector.

(7) “Eligible wind or solar energy project” means a research, development, engineering or manufacturing project (A) undertaken by an eligible wind or solar energy business relating to the production of a business component or product and may include, but not be limited to, product development and design, applied research, manufacturing, improvement, replacement or acquisition of real or personal property and modernization and retooling of existing property in Kansas, (B) for which the eligible wind or solar energy business proposes to invest not less than \$30,000,000 in Kansas in direct connection with the eligible wind or solar energy project of not less than \$30,000,000 in Kansas and (C) for which the eligible wind or solar energy business proposes to employ at least 200 full-time employees in Kansas within five years, as defined in K.S.A. 74-50,114, and amendments thereto.

(8) “Gross compensation” means gross wages and benefits paid to or on behalf of employees receiving wages.

(9) “Secretary” means the secretary of commerce.

(d) A person, corporation, partnership or other entity proposing to undertake an eligible project, eligible aviation project or eligible wind or solar energy project may apply to the secretary to enter into an agreement for benefits under this act. The application shall include (1) evidence that the applicant is an “eligible business”, “eligible aviation business” or “eligible wind or solar energy business” as defined in subsection (c) and (2) a detailed description of the eligible project, eligible aviation project or eligible wind or solar energy project.

(e) Upon receipt of an application described in subsection (d), if the secretary finds that the application is from an eligible business, eligible aviation business or eligible wind or solar energy business and that the project constitutes an eligible project, eligible aviation project or eligible wind or solar energy project, the secretary may enter into an agreement with the eligible business, eligible aviation business or eligible wind or solar energy business for benefits under this act. Such agreement for benefits shall be subject to review and approval of the state finance council created by K.S.A. 75-3708, and amendments thereto, *acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto.* The agreement shall commit the secretary to request that the Kansas development finance authority issue bonds pursuant to the Kansas development finance authority act, K.S.A. 74-8901 et seq., and amendments thereto, to finance the eligible project for the benefit of the eligible business in an aggregate principal amount not to exceed \$500,000,000, plus costs of issuance, costs of credit enhancement, reserve funds and capitalized interest, or in the case of an eligible aviation project in a principal amount not to exceed \$33,000,000 for a single eligible aviation project or in the case of an eligible wind or solar energy project in a principal amount not to exceed \$5,000,000 for a single eligible wind or solar energy project and in an aggregate principal amount not to exceed \$150,000,000 for all eligible aviation, wind or solar energy projects, plus costs of issuance, costs of credit enhancement, reserve funds and capitalized interest, and shall commit the eligible business, eligible aviation business or eligible wind or solar energy business to pay the principal of and interest on such obligations, except that during the period from the issuance of such bonds through the maturity of such obligations but not to exceed 20 years revenue realized from withholding upon Kansas wages paid by the eligible business, eligible aviation business or eligible wind or solar energy business pursuant to K.S.A. 79-3294 et seq., and amendments thereto, which is necessary to pay the principal

and interest on such obligations shall be credited to the special economic revitalization fund created in subsection (h), and shall be transferred by the state treasurer to pay principal and interest on such obligations as provided by law. The agreement shall further specifically provide that if the revenue from the withholding upon Kansas wages is insufficient to pay principal and interest on the bonds, the eligible business, eligible aviation business or eligible wind or solar energy business shall remain obligated to make such payments. The terms and conditions with respect to the obligations shall be set forth in the agreement or in the financing documents relating to the issuance of the bonds. In the event the eligible business, eligible aviation business or eligible wind or solar energy business terminates, cancels or reduces the scope of the eligible project, eligible aviation project or eligible wind or solar energy project approved by the secretary, the agreement shall provide that with respect to debt service, the eligible business, eligible aviation business or eligible wind or solar energy business shall remain responsible for payment of the entire outstanding principal as well as any interest still outstanding, and no moneys remaining in the special economic revitalization fund shall be made available for the purpose of paying the remaining principal and interest portion of the eligible business', eligible aviation business' or eligible wind or solar energy business' debt service obligation.

(f) Income tax refunds and balances due resulting from withholding upon Kansas wages paid by the eligible business, eligible aviation business or eligible wind or solar energy business pursuant to K.S.A. 79-3294 et seq., and amendments thereto, shall be reconciled on at least an annual basis by a method defined in the agreement described in subsection (e).

(g) The Kansas development finance authority is hereby authorized to issue obligations, for the purpose of financing the eligible project, eligible aviation project or eligible wind or solar energy project provided in subsection (e), in a principal amount not to exceed the amount specified in subsection (e). The maximum maturity of bonds issued pursuant to this act shall be 20 years, unless the secretary shall find and determine that a maturity greater than 20 years, but in no event greater than 30 years, is necessary for economic feasibility of the eligible project, eligible aviation project or eligible wind or solar energy of the eligible business, eligible aviation business or eligible wind or solar energy business.

(h) The state treasurer shall credit all revenue collected or received from withholding upon Kansas wages paid by a taxpayer which is an eligible business ~~or~~, eligible aviation business *or eligible wind or solar energy business* with respect to an eligible project, eligible aviation project or eligible wind or solar energy project, as certified by the secretary, to the special economic revitalization fund, which fund is hereby created in the custody of the state treasurer but shall not be a part of the state general fund. Distributions from the special economic revitalization fund shall be used to pay principal and interest on the bonds as authorized pursuant to this act and shall not be subject to appropriation. On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the special economic revitalization fund interest earnings based on: (1) The average daily balance of moneys in the special economic revitalization fund for the preceding month; and (2) the net earnings rate of the pooled money investment portfolio for the preceding month. The provisions of this section shall expire when all principal and interest on obligations issued for the purpose of financing all or a portion of the costs of an eligible project, eligible aviation project or eligible wind or solar energy project has been paid. Moneys credited to the special economic revitalization fund in accordance with the foregoing provisions shall be distributed to or on the order of the Kansas development finance authority to pay principal and interest on bonds issued to finance an eligible project, eligible aviation project or eligible wind or solar energy project. The state treasurer shall make such distributions on such dates as mutually agreed to by the Kansas development finance authority, the paying agent for such obligations and the state treasurer. The total of all distributions under this section shall not exceed an amount determined to be sufficient to pay the principal and interest on such bonds.

(i) The eligible business, eligible aviation business or eligible wind or solar energy business shall not be allowed to participate in the IMPACT act or program pursuant to K.S.A. 74-50,102 et seq., and amendments thereto, with respect to the eligible project, eligible aviation project or

eligible wind or solar energy project. The secretary may include provisions in the agreement described in subsection (e) to limit or reduce the amount of eligible credits, including but not limited to those allowed pursuant to K.S.A. 79-32,160a, 79-32,182b or 79-32,206, and amendments thereto, on the investment of the proceeds of the bonds issued under this act. Nothing in this subsection shall be construed to prohibit the eligible business, eligible aviation business or eligible wind or solar energy business from receiving credits allowed by law for any investment not related to bonds issued pursuant to this section.

(j) All hiring and use of the employees described in subsection (c)(5)(C) by an eligible business in connection with an eligible project, or described in subsection (c)(3)(C) by an eligible aviation business in connection with an eligible aviation project or an eligible wind or solar energy business, as described in subsection (c)(7), shall be subject to post audit under the legislative post audit act, and amendments thereto. All audit expenses incurred shall be charged to and paid by such eligible business or eligible aviation business. All moneys received for such audit expenses shall be deposited in the state treasury and credited to the audit services fund of the division of post audit. The division of post audit is hereby authorized to conduct the audit work authorized by this section in accordance with the provisions of the legislative post audit act, and amendments thereto.

(k) Bonds issued under this section shall not be used to provide for or to increase compensation packages, rewards, bonuses, pensions, enhanced retirement, stock options, buyouts or substantial severance pay or other financial benefits to any chief executive officer, chief financial officer or any officers of the company.

(l) The agreement described in subsection (e) shall include a provision requiring the eligible business ~~or~~ eligible aviation business *or eligible wind or solar energy business* to agree that (1) the eligible business, eligible aviation business or eligible wind or solar energy business shall be subject to post audit under the legislative post audit act, and amendments thereto, (2) the eligible business, eligible aviation business or eligible wind or solar energy business shall pay audit expenses and (3) the eligible business, eligible aviation business or eligible wind or solar energy business shall not limit access to information required under the legislative post audit act, and amendments thereto.

(m) The secretary shall report to the state finance council on any new agreements entered into between the secretary and an eligible business, eligible aviation business or eligible wind or solar energy business pursuant to this section.

(n) No new eligible project, eligible aviation project or eligible wind or solar energy project shall be approved for financing under the provisions of this section on or after July 1, 2013.

Sec. 2. K.S.A. 2009 Supp. 74-50,210 is hereby amended to read as follows: 74-50,210. (a) The provisions of K.S.A. 2009 Supp. 74-50,210 through 74-50,216, and amendments thereto, shall be known and may be cited as the promoting employment across Kansas act.

(b) It shall be the intent of this act to foster economic development and the creation of new jobs and opportunities for the citizens of Kansas ~~through incentivizing the repatriation of business facilities, other operations and jobs from foreign countries~~ and to incentivize the ~~relocation~~ *location* of business facilities, other operations and jobs ~~from other states~~ *to in* Kansas. The primary objective of this legislation is economic development for Kansas. ~~The state of Kansas, the secretary of the department of commerce and the department of commerce shall solicit and approve applications by qualified companies pursuant to this act.~~

Sec. 3. K.S.A. 2009 Supp. 74-50,211 is hereby amended to read as follows: 74-50,211. As used in this act, unless the context otherwise requires:

(a) "Act" means the provisions of K.S.A. 2009 Supp. 74-50,210 through 74-50,216, and amendments thereto.

(b) "County ~~average~~ *median* wage" means the ~~average~~ *median* wage paid to employees located in the county where the qualified company intends to employ new employees as reported by the department of labor in its annual report for the previous year.

(c) "Department" means the department of commerce.

(d) "*Expanding business*" means the expansion of an existing business facility, office, department or other operation located in the state of Kan-

sas and locating in Kansas the jobs directly related to such business facility, office, department or other operation.

~~(d)~~ (e) “High-impact project” means a business development project for which the qualified company shall meet the requirements of subsection (c) of K.S.A. 2009 Supp. 74-50,212, and amendments thereto.

~~(e)~~ “NAICS” means the North American industry classification system.

(f) “Metropolitan county” means the county of Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or Wyandotte.

(g) “NAICS” means the North American industry classification system.

(h) “NAICS code industry average wage” means the average wage paid to employees of companies classified in the same NAICS code as the qualified company for the region in which the qualified company intends to employ new employees as reported by the department of labor in its annual report for the previous year.

(i) “New business” means a facility, plant, division, office, department, production line, production shift or other business operations of a company that was not doing business in Kansas prior to the submission of an application for benefits under this act and that provides documentation of such to the satisfaction of the secretary.

~~(g)~~ (j) “New employee” means a person newly employed by the qualified company in the qualified company’s business operating in Kansas during the taxable year for which benefits are sought under K.S.A. 2009 Supp. 74-50,212, and amendments thereto. A person shall be deemed to be so engaged if such person performs duties in Kansas in connection with the operation of the Kansas business on: (1) A regular, full-time basis; or (2) a part-time basis, provided such person is customarily performing such duties at least 20 hours per week throughout the taxable year. Employees acquired or relocated to Kansas from another state through an expansion or relocation of a business operation to Kansas from another state performing functions directly related to a relocating, expanding, or new business facility, office, department or other operation shall be considered as new employees.

~~(h)~~ (k) “Non-metropolitan county” means any county that is not a metropolitan county.

~~(i)~~ (l) (1) “Qualified company” means any for-profit corporation, partnership or other entity, organized for profit making available to its full-time employees adequate health insurance coverage and paying at least 50% of the premium for such health insurance, which meets the requirements of K.S.A. 2009 Supp. 74-50,212, and amendments thereto, and submits an application for benefits meeting requirements established by the secretary.

(2) “Qualified company” shall not include any corporation, partnership or other entity: (A) Which is identified by any of the following NAICS code groups, sectors or subsectors:

(i) Industry group 7132 or 8131;

(ii) sectors 44, 45, 61, 92 or 221 (including water and sewer services);

or

(iii) subsector 722;

(B) which is a bioscience company, as defined in K.S.A. 2009 Supp. 74-99b33, and amendments thereto;

(C) which is delinquent in the payment of any nonprotested taxes or any other amounts due to the federal government, the state of Kansas or any other political taxing subdivision; or

(D) which has filed for or has publicly announced its intention to file for bankruptcy protection.

(3) Notwithstanding any provision of this subsection, except for paragraphs (2)(B), (C) and (D), a company may be deemed a qualified company if such company’s headquarters or administrative offices located in this state serve an international or multi-state territory and such company meets the requirements of K.S.A. 2009 Supp. 74-50,212, and amendments thereto.

~~(j)~~ (m) “Secretary” means the secretary of the department of commerce.

Sec. 4. K.S.A. 2009 Supp. 74-50,212 is hereby amended to read as follows: 74-50,212. (a) In order to qualify for benefits under this act a qualified company shall:

(1) Relocate to Kansas an existing business facility, office, department

or other operation ~~located~~ *doing business* outside the state of Kansas; ~~whether located in a foreign country or another state~~; and locate the jobs ~~from directly related to such relocated~~ business facility, office, department or other operation ~~to~~ in Kansas; or

(2) *locate a new business facility, office, department or other operation in Kansas and locate the jobs directly related to such business facility, office, department or other operation in Kansas; or*

(3) *expand a business facility, office, department or other operation located in the state of Kansas and locate the jobs directly related to such business facility, office, department or other operation in Kansas, except that no payroll withholding taxes shall be retained prior to January 1, 2012.*

A qualified company may contract with an unrelated third party to perform services whereby the third party serves as the legal employer of the new employees providing services to the qualified company and such services are performed in Kansas and the third party and the new employees are subject to Kansas state withholding.

(b) Any qualified company, *approved by the secretary for benefits pursuant to paragraph (a)*, that locates its business operation in a metropolitan county and will hire at least 10 new employees within two years from the date the qualified company enters into an agreement with the secretary pursuant to K.S.A. 2009 Supp. 74-50,213, and amendments thereto, or any qualified company, *approved by the secretary for benefits pursuant to paragraph (a)*, that locates its business operation in a non-metropolitan county and will hire at least five new employees within two years from the date the qualified company enters into an agreement with the secretary pursuant to K.S.A. 2009 Supp. 74-50,213, and amendments thereto, shall: (1) Be eligible to retain 95% of the qualified company's Kansas payroll withholding taxes for such new employees *being paid the county median wage or higher* for a period of up to:

~~(1) Five years if the new employees are compensated at a rate equal to at least 100% of the county average wage;~~

~~(2) six years if the new employees are compensated at a rate equal to at least 110% of the county average wage; or~~

~~(3) seven years if the new employees are compensated at a rate equal to at least 120% of the county average wage.~~

(A) *Five years if the median wage paid to the new employees is equal to at least 100% of the county median wage;*

(B) *six years if the median wage paid to the new employees is equal to at least 110% of the county median wage;*

(C) *seven years if the median wage paid to the new employees is equal to at least 120% of the county median wage; or*

(2) *be eligible to retain 95% of the qualified company's Kansas payroll withholding taxes for such new employees being paid the county median wage or higher for a period of up to five years if the median wage paid to the new employees is equal to at least 100% of the NAICS code industry average wage.*

(c) Any qualified company, *approved by the secretary for benefits pursuant to paragraph (a)*, that engages in a high-impact project whereby the qualified company will hire at least 100 new employees within ~~five~~ two years from the date the qualified company enters into an agreement with the secretary pursuant to K.S.A. 2009 Supp. 74-50,213, and amendments thereto, shall be eligible to retain 95% of the qualified company's Kansas payroll withholding taxes for such new employees *being paid the county median wage or higher* for a period of up to:

~~(1) Seven years if the new employees are compensated at a rate equal to at least 100% of the county average wage;~~

~~(2) eight years if the new employees are compensated at a rate equal to at least 110% of the county average wage;~~

~~(3) nine years if the new employees are compensated at a rate equal to at least 120% of the county average wage; or~~

~~(4) ten years if the new employees are compensated at a rate equal to at least 140% of the county average wage.~~

(1) *Seven years if the median wage paid to the new employees is equal to at least 100% of the county median wage;*

(2) *eight years if the median wage paid to the new employees is equal to at least 110% of the county median wage;*

(3) *nine years if the median wage paid to the new employees is equal to at least 120% of the county median wage; or*

(4) *ten years if the median wage paid to the new employees is equal to at least 140% of the county median wage.*

(d) In the event that a qualified company contracts with a third party as described in ~~paragraphs (a)(3) and (4)~~ *subsection (a)*, the third party shall remit payments equal to the amount of Kansas payroll withholding taxes the qualified company is eligible to retain under this section to the qualified company, and report such amount to the department of revenue as required pursuant to subsection (a) of K.S.A. 2009 Supp. 74-50,214, and amendments thereto.

Sec. 5. K.S.A. 2009 Supp. 74-50,213 is hereby amended to read as follows: 74-50,213. (a) Any qualified company meeting the requirements of K.S.A. 2009 Supp. 74-50,212, and amendments thereto, may apply to the secretary for benefits under this act. The application shall be submitted on a form and in a manner prescribed by the secretary, and shall include: (1) Evidence that the applicant is a qualified company; and (2) evidence that the applicant meets the requirements of K.S.A. 2009 Supp. 74-50,212, and amendments thereto.

(b) The secretary ~~shall~~ *may* either approve or disapprove the application. Any qualified company whose application is approved shall be eligible to receive benefits under this act as of the date such qualified company enters into an agreement with the secretary in accordance with this section.

(c) Upon approval of an application for benefits under this act, the secretary may enter into an agreement with the qualified company for benefits under this act. If necessary, the secretary may also enter into an agreement with any third party described in subsection (a) of K.S.A. 2009 Supp. 74-50,212, and amendments thereto, or such third party may be a party to the agreement between the qualified company and the secretary. The agreement shall commit the secretary to certify to the secretary of revenue: (1) That the qualified company is eligible to receive benefits under this act; (2) the number of new employees hired by the qualified company; and (3) the amount of gross wages being paid to each new employee.

(d) The agreement between the qualified company and the secretary shall be entered into before any benefits may be provided under this act, and shall specify that should the qualified company fail to comply with the terms and conditions set forth in the agreement, or fails to comply with the provisions set forth in this act, the secretary may terminate the agreement, and the qualified company shall not be entitled to any further benefits provided under this act and shall be required to remit to the state an amount equal to the aggregate Kansas payroll withholding taxes retained by the qualified company, or remitted to the qualified company by a third party, pursuant to this act as of the date the agreement is terminated.

(e) A qualified company that is already receiving benefits pursuant to this act may apply to the secretary for additional benefits if the qualified company meets the requirements of K.S.A. 2009 Supp. 74-50,212, and amendments thereto.

(f) A qualified company seeking benefits shall ~~not~~ be allowed to participate in the IMPACT program, ~~or any program~~ pursuant to K.S.A. 74-50,102 *et seq.*, and amendments thereto, ~~or~~ *but shall not be allowed to participate* in any other program in which any portion of such qualified company's Kansas payroll withholding taxes have been pledged to finance indebtedness or transferred to or for the benefit of such company. A qualified company shall not be allowed to claim any credits under K.S.A. 79-32,153, 79-32,160a or 79-32,182b, and amendments thereto, if such credits would otherwise be earned for the hiring of new employees and the qualified company has retained any Kansas payroll withholding taxes from wages of such employees. *A qualified company shall not be eligible to receive benefits under K.S.A. 2009 Supp. 74-50,212, and amendments thereto, and under K.S.A. 74-50,102 et seq., and amendments thereto, for the same new employees.*

(g) *Under no circumstances shall the total amount of benefits authorized or granted to the aggregate of all expanding businesses, as such term is defined in K.S.A. 2009 Supp. 74-50,211, and amendments thereto, under this act exceed \$4,800,000 in any fiscal year commencing on or after July 1, 2011.*

(h) The secretary shall adopt rules and regulations necessary to implement and administer the provisions of this act.

Sec. 6. K.S.A. 2009 Supp. 74-50,214 is hereby amended to read as follows: 74-50,214. (a) Any qualified company eligible to receive benefits pursuant to K.S.A. 2009 Supp. 74-50,212, and amendments thereto, shall complete and submit to the department of revenue:

(1) The amount of Kansas payroll withholding tax being retained by the qualified company pursuant to this act in a manner prescribed by the director of taxation; and

(2) a form designed by the secretary of revenue pursuant to section 12, and amendments thereto.

*The completed form shall be submitted electronically or in the manner prescribed by the secretary of revenue.*

(b) The secretary of revenue ~~shall~~ may adopt rules and regulations necessary to implement and administer the provisions of this ~~act~~ section. The secretary of revenue and the secretary of commerce shall work together to coordinate a set of procedures to implement the provisions of this act.

Sec. 7. K.S.A. 2009 Supp. 74-50,103 is hereby amended to read as follows: 74-50,103. As used in the IMPACT act unless the context clearly requires otherwise:

(a) "Act" means the Kansas investments in major projects and comprehensive training act.

(b) "Agreement" means the agreement among an employer, an educational institution and the secretary of commerce concerning a SKILL project or a combined SKILL project and major project investment and the agreement between an employer and the secretary of commerce concerning a major project investment.

(c) "Bond" means a public purpose bond issued for IMPACT projects by the Kansas development finance authority.

(d) "Date of commencement of the project" means the date of the agreement.

(e) "Educational institution" means a community college, as defined by K.S.A. 71-701, and amendments thereto, an area vocational school or area vocational-technical school, as defined by K.S.A. 72-4412, and amendments thereto, a university, as defined by K.S.A. 72-6501, and amendments thereto, a state educational institution, as defined by K.S.A. 76-711, and amendments thereto, or a technical college as established by K.S.A. 72-4468, and amendments thereto.

(f) "Employee" means a person employed in a new or retained job.

(g) "Employer" means a Kansas basic enterprise providing new jobs or retaining existing jobs in conjunction with a project.

(h) "IMPACT program" or "program" means the major project investments and SKILL projects undertaken by the department of commerce in accordance with the provisions of this act for a new or expanding Kansas basic enterprise.

(i) "IMPACT project" or "project" means a SKILL project, major project investment or a combination of the two.

(j) "Kansas basic enterprise" means any enterprise:

(1) Which is located or principally based in Kansas; and

(2) which can provide demonstrable evidence that:

(A) It is primarily engaged in any one or more of the Kansas basic industries; or

(B) it is primarily engaged in the development or production of goods or the provision of services for out-of-state sale; or

(C) it is primarily engaged in the production of goods or the provision of services which will attract out-of-state buyers or consumers into the state; or

(D) it is primarily engaged in the production of raw materials, ingredients, or components for other enterprises which export the majority of their products from the state; or

(E) it is a national or regional enterprise which is primarily engaged in interstate commerce or an affiliated management company of such an enterprise; or

(F) it is primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the state; or

(G) it is the corporate or regional headquarters of a multistate enterprise which is primarily engaged in out-of-state industrial activities.

(k) "Kansas basic industry" means:

(1) Agriculture;



- (2) mining;
- (3) manufacturing;
- (4) interstate transportation;
- (5) wholesale trade which is primarily multistate in activity or which has a major import supplanting effect within the state;
- (6) financial services which are provided primarily for interstate or international transactions;
- (7) business services which are provided primarily in out-of-state markets;
- (8) research and development of new products, processes, or technologies; or
- (9) tourism activities which are primarily engaged in for the purpose of attracting out-of-state tourists.

(l) "Major project investment" or "investment" means financial assistance to an employer to defray business costs including, but not limited to, relocation expenses, building and equipment purchases, labor recruitment and job retention.

(m) "New job" means a job in a new or expanding Kansas basic enterprise not including jobs of recalled workers, or existing jobs that are vacant or other jobs that formerly existed in the Kansas basic enterprise in Kansas.

(n) "Primarily engaged" means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.

(o) "Program costs" means all necessary and incidental costs of providing program services, except that program costs shall not include: (1) Any costs for purchase or lease of training equipment that exceed 50% of total program costs for the project, (2) any costs for administrative expenses that exceed 10% of total program costs for the project, and (3) any costs for direct investments in education and related workforce development institutions, for improvements to workforce development, human capital, training expertise and infrastructure that exceed 10% of total program costs.

(p) "Program services" means:

(1) New jobs training, including training development costs, except that the actual training period for any new job shall not exceed 36 months from the date the job is first filled by an employee;

(2) adult basic education and job-related instruction;

(3) vocational and skill-assessment services and testing;

(4) training equipment for education institutions;

(5) material and supplies;

(6) administrative expenses of educational institutions for new jobs training programs;

(7) subcontracted services with other educational institutions, private colleges or universities or other federal, state or local agencies;

(8) contracted or professional service;

(9) major project investments; ~~and~~

(10) direct investments in educational and related workforce development institutions, for improvements to workforce development, human capital, training expertise and infrastructure;

(11) *independent evaluation of the effectiveness of economic development incentives, including analysis of the return on investment at both the state and local levels, as determined necessary by the secretary of commerce after consultation with the secretary of revenue; and*

(12) *economic impact and economic incentive program analysis and related services as determined necessary by the secretary of commerce.*

(q) "Retained job" means an existing job which will be lost without participation by the employer under the provisions of the IMPACT program.

(r) "Secretary" means the secretary of commerce.

(s) "SKILL project" means a training arrangement which is the subject of an agreement entered into between the educational institution and an employer to provide program services.

Sec. 8. K.S.A. 2009 Supp. 79-3234 is hereby amended to read as follows: 79-3234. (a) All reports and returns required by this act shall be preserved for three years and thereafter until the director orders them to be destroyed.

(b) Except in accordance with proper judicial order, or as provided in subsection (c) or in K.S.A. 17-7511, subsection (g) of K.S.A. 46-1106,

K.S.A. 46-1114, or K.S.A. 79-32,153a, and amendments thereto, it shall be unlawful for the secretary, the director, any deputy, agent, clerk or other officer, employee or former employee of the department of revenue or any other state officer or employee or former state officer or employee to divulge, or to make known in any way, the amount of income or any particulars set forth or disclosed in any report, return, federal return or federal return information required under this act; and it shall be unlawful for the secretary, the director, any deputy, agent, clerk or other officer or employee engaged in the administration of this act to engage in the business or profession of tax accounting or to accept employment, with or without consideration, from any person, firm or corporation for the purpose, directly or indirectly, of preparing tax returns or reports required by the laws of the state of Kansas, by any other state or by the United States government, or to accept any employment for the purpose of advising, preparing material or data, or the auditing of books or records to be used in an effort to defeat or cancel any tax or part thereof that has been assessed by the state of Kansas, any other state or by the United States government.

(c) The secretary or the secretary's designee may: (1) Publish statistics, so classified as to prevent the identification of particular reports or returns and the items thereof;

(2) allow the inspection of returns by the attorney general or other legal representatives of the state;

(3) provide the post auditor access to all income tax reports or returns in accordance with and subject to the provisions of subsection (g) of K.S.A. 46-1106 or K.S.A. 46-1114, and amendments thereto;

(4) disclose taxpayer information from income tax returns to persons or entities contracting with the secretary of revenue where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality;

(5) disclose to the secretary of commerce the following: (A) Specific taxpayer information related to financial information previously submitted by the taxpayer to the secretary of commerce concerning or relevant to any income tax credits, for purposes of verification of such information or evaluating the effectiveness of any tax credit or economic incentive program administered by the secretary of commerce; ~~and~~ (B) *the amount of payroll withholding taxes an employer is retaining pursuant to K.S.A. 2009 Supp. 74-50,212, and amendments thereto;* (C) *information received from businesses completing the form required by section 12, and amendments thereto;* and (D) findings related to a compliance audit conducted by the department of revenue upon the request of the secretary of commerce pursuant to K.S.A. 2009 Supp. 74-50,215, and amendments thereto;

(6) disclose income tax returns to the state gaming agency to be used solely for the purpose of determining qualifications of licensees of and applicants for licensure in tribal gaming. Any information received by the state gaming agency shall be confidential and shall not be disclosed except to the executive director, employees of the state gaming agency and members and employees of the tribal gaming commission;

(7) disclose the taxpayer's name, last known address and residency status to the department of wildlife and parks to be used solely in its license fraud investigations;

(8) disclose the name, residence address, employer or Kansas adjusted gross income of a taxpayer who may have a duty of support in a title IV-D case to the secretary of the Kansas department of social and rehabilitation services for use solely in administrative or judicial proceedings to establish, modify or enforce such support obligation in a title IV-D case. In addition to any other limits on use, such use shall be allowed only where subject to a protective order which prohibits disclosure outside of the title IV-D proceeding. As used in this section, "title IV-D case" means a case being administered pursuant to part D of title IV of the federal social security act (42 U.S.C. §651 et seq.) and amendments thereto. Any person receiving any information under the provisions of this subsection shall be subject to the confidentiality provisions of subsection (b) and to the penalty provisions of subsection (e);

(9) permit the commissioner of internal revenue of the United States, or the proper official of any state imposing an income tax, or the authorized representative of either, to inspect the income tax returns made under this act and the secretary of revenue may make available or furnish

to the taxing officials of any other state or the commissioner of internal revenue of the United States or other taxing officials of the federal government, or their authorized representatives, information contained in income tax reports or returns or any audit thereof or the report of any investigation made with respect thereto, filed pursuant to the income tax laws, as the secretary may consider proper, but such information shall not be used for any other purpose than that of the administration of tax laws of such state, the state of Kansas or of the United States;

(10) communicate to the executive director of the Kansas lottery information as to whether a person, partnership or corporation is current in the filing of all applicable tax returns and in the payment of all taxes, interest and penalties to the state of Kansas, excluding items under formal appeal, for the purpose of determining whether such person, partnership or corporation is eligible to be selected as a lottery retailer;

(11) communicate to the executive director of the Kansas racing commission as to whether a person, partnership or corporation has failed to meet any tax obligation to the state of Kansas for the purpose of determining whether such person, partnership or corporation is eligible for a facility owner license or facility manager license pursuant to the Kansas parimutuel racing act;

(12) provide such information to the executive director of the Kansas public employees retirement system for the purpose of determining that certain individuals' reported compensation is in compliance with the Kansas public employees retirement act at K.S.A. 74-4901 et seq., and amendments thereto; and

(13) provide taxpayer information of persons suspected of violating K.S.A. 2009 Supp. 44-766, and amendments thereto, to the staff attorneys of the department of labor for the purpose of determining compliance by any person with the provisions of K.S.A. 2009 Supp. 44-766, and amendments thereto, which information shall be limited to withholding tax and payroll information, the identity of any person that has been or is currently being audited or investigated in connection with the administration and enforcement of the withholding and declaration of estimated tax act, K.S.A. 79-3294 et seq., as amended, and the results or status of such audit or investigation.

(d) Any person receiving information under the provisions of subsection (c) shall be subject to the confidentiality provisions of subsection (b) and to the penalty provisions of subsection (e).

(e) Any violation of subsection (b) or (c) is a class A nonperson misdemeanor and, if the offender is an officer or employee of the state, such officer or employee shall be dismissed from office.

(f) Nothing in this section shall be construed to allow disclosure of the amount of income or any particulars set forth or disclosed in any report, return, federal return or federal return information, where such disclosure is prohibited by the federal internal revenue code as in effect on September 1, 1996, and amendments thereto, related federal internal revenue rules or regulations, or other federal law.

Sec. 9. K.S.A. 2009 Supp. 79-32,153 is hereby amended to read as follows: 79-32,153. (a) For taxable years commencing after December 31, 1997, any taxpayer who shall invest in a qualified business facility, as defined in subsection (b) of K.S.A. 79-32,154, and amendments thereto, *and effective for tax years commencing after December 31, 2010, located in an area other than a metropolitan county as defined in either K.S.A. 2009 Supp. 74-50,114 or 74-50,211, and amendments thereto*, shall be allowed a credit for such investment, in an amount determined under subsection (b) against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated for the taxable year during which commencement of commercial operations, as defined in subsection (f) of K.S.A. 79-32,154, and amendments thereto, occurs at such qualified business facility, and for each of the nine succeeding taxable years. No credit shall be allowed under this section unless the number of qualified business facility employees, as determined under subsection (d) of K.S.A. 79-32,154, and amendments thereto, engaged or maintained in employment at the qualified business facility as a direct result of the investment by the taxpayer for the taxable year for which the credit is claimed equals or exceeds two. Where an employee performs services for the taxpayer outside the qual-

ified business facility, the employee shall be considered engaged or maintained in employment at the qualified business facility if (1) the employee's service performed outside the qualified business facility is incidental to the employee's service inside the qualified business facility, or (2) the base of operations or, the place from which the service is directed or controlled, is at the qualified business facility.

(b) The credit allowed by subsection (a) for any taxpayer who invests in a qualified business facility shall be a portion of the tax, but not in excess of 50% of such tax, otherwise imposed on or measured by the taxpayer's qualified business facility income, as defined in subsection (g) of K.S.A. 79-32,154, and amendments thereto, for the taxable year for which such credit is allowed. Such portion shall be an amount equal to the sum of the following:

(1) One hundred dollars for each qualified business facility employee determined under K.S.A. 79-32,154, and amendments thereto; plus

(2) one hundred dollars for each \$100,000, or major fraction thereof (which shall be deemed to be 51% or more), in qualified business facility investment as determined under K.S.A. 79-32,154, and amendments thereto.

(c) For tax years commencing after December 31, 2005, any taxpayer claiming credits pursuant to this section, as a condition for claiming and qualifying for such credits, shall provide information pursuant to K.S.A. 2009 Supp. 79-32,243, and amendments thereto, as part of the tax return in which such credits are claimed. Such credits shall not be denied solely on the basis of the contents of the information provided by the taxpayer pursuant to K.S.A. 2009 Supp. 79-32,243, and amendments thereto.

(d) No credit shall be allowed under this section for investment in a public utility, as such term is defined in K.S.A. 66-104, and amendments thereto.

Sec. 10. K.S.A. 2009 Supp. 79-32,160a is hereby amended to read as follows: 79-32,160a. (a) For taxable years commencing after December 31, 1999, any taxpayer who shall invest in a qualified business facility, as defined in subsection (b) of K.S.A. 79-32,154, and amendments thereto, *and effective for tax years commencing after December 31, 2010, located in an area other than a metropolitan county as defined in either K.S.A. 2009 Supp. 74-50,114 or 74-50,211, and amendments thereto*, and also meets the definition of a business in subsection (b) of K.S.A. 74-50,114, and amendments thereto, shall be allowed a credit for such investment, in an amount determined under subsection (b) or (c), as the case requires, against the tax imposed by the Kansas income tax act or where the qualified business facility is the principal place from which the trade or business of the taxpayer is directed or managed and the facility has facilitated the creation of at least 20 new full-time positions, against the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or as measured by the net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, for the taxable year during which commencement of commercial operations, as defined in subsection (f) of K.S.A. 79-32,154, and amendments thereto, occurs at such qualified business facility. In the case of a taxpayer who meets the definition of a manufacturing business in subsection (d) of K.S.A. 74-50,114, and amendments thereto, no credit shall be allowed under this section unless the number of qualified business facility employees, as determined under subsection (d) of K.S.A. 79-32,154, and amendments thereto, engaged or maintained in employment at the qualified business facility as a direct result of the investment by the taxpayer for the taxable year for which the credit is claimed equals or exceeds two. In the case of a taxpayer who meets the definition of a nonmanufacturing business in subsection (f) of K.S.A. 74-50,114, and amendments thereto, no credit shall be allowed under this section unless the number of qualified business facility employees, as determined under subsection (d) of K.S.A. 79-32,154, and amendments thereto, engaged or maintained in employment at the qualified business facility as a direct result of the investment by the taxpayer for the taxable year for which the credit is claimed equals or exceeds five. Where an employee performs services for the taxpayer outside the qualified business facility, the employee shall be considered engaged or maintained in employment at the qualified business facility if (1) the employee's service performed outside the qualified business facility is incidental to the employee's service inside the qualified business facility, or (2) the base of operations or, the place from which

the service is directed or controlled, is at the qualified business facility.

(b) The credit allowed by subsection (a) for any taxpayer who invests in a qualified business facility which is located in a designated nonmetropolitan region established under K.S.A. 74-50,116, and amendments thereto, on or after the effective date of this act, shall be a portion of the income tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, for the taxable year for which such credit is allowed, but in the case where the qualified business facility investment was made prior to January 1, 1996, not in excess of 50% of such tax. Such portion shall be an amount equal to the sum of the following:

(1) Two thousand five hundred dollars for each qualified business facility employee determined under K.S.A. 79-32,154, and amendments thereto; plus

(2) one thousand dollars for each \$100,000, or major fraction thereof, which shall be deemed to be 51% or more, in qualified business facility investment, as determined under K.S.A. 79-32,154, and amendments thereto.

(c) The credit allowed by subsection (a) for any taxpayer who invests in a qualified business facility, which is not located in a nonmetropolitan region established under K.S.A. 74-50,116, and amendments thereto, *and effective for tax years commencing after December 31, 2010, located in an area other than a metropolitan county as defined in either K.S.A. 2009 Supp. 74-50,114 or 74-50,211, and amendments thereto*, and which also meets the definition of business in subsection (b) of K.S.A. 74-50,114, and amendments thereto, on or after the effective date of this act, shall be a portion of the income tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, for the taxable year for which such credit is allowed, but in the case where the qualified business facility investment was made prior to January 1, 1996, not in excess of 50% of such tax. Such portion shall be an amount equal to the sum of the following:

(1) One thousand five hundred dollars for each qualified business facility employee as determined under K.S.A. 79-32,154, and amendments thereto; and

(2) one thousand dollars for each \$100,000, or major fraction thereof, which shall be deemed to be 51% or more, in qualified business facility investment as determined under K.S.A. 79-32,154, and amendments thereto.

(d) The credit allowed by subsection (a) for each qualified business facility employee and for qualified business facility investment shall be a one-time credit. If the amount of the credit allowed under subsection (a) exceeds the tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income, the premium tax and privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated for the taxable year, or in the case where the qualified business facility investment was made prior to January 1, 1996, 50% of such tax imposed upon the amount which exceeds such tax liability or such portion thereof may be carried over for credit in the same manner in the succeeding taxable years until the total amount of such credit is used. Except that, before the credit is allowed, a taxpayer, who meets the definition of a manufacturing business in subsection (d) of K.S.A. 74-50,114, and amendments thereto, shall recertify annually that the net increase of a minimum of two qualified business facility employees has continued to be maintained and a taxpayer, who meets the definition of a nonmanufacturing business in subsection (f) of K.S.A. 74-50,114, and amendments thereto, shall recertify annually that the net increase of a minimum of five qualified business employees has continued to be maintained.

(e) Notwithstanding the foregoing provisions of this section, any taxpayer qualified and certified under the provisions of K.S.A. 74-50,131, and amendments thereto; which, prior to making a commitment to invest

in a qualified Kansas business, has filed a certificate of intent to invest in a qualified business facility in a form satisfactory to the secretary of commerce; and that has received written approval from the secretary of commerce for participation and has participated, during the tax year for which the exemption is claimed, in the Kansas industrial training, Kansas industrial retraining or the state of Kansas investments in lifelong learning program or is eligible for the tax credit established in K.S.A. 74-50,132, and amendments thereto, shall be entitled to a credit in an amount equal to 10% of that portion of the qualified business facility investment which exceeds \$50,000 in lieu of the credit provided in subsection (b)(2) or (c)(2) without regard to the number of qualified business facility employees engaged or maintained in employment at the qualified business facility. The credit allowed by this subsection shall be a one-time credit. If the amount thereof exceeds the tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income or the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated for the taxable year, the amount thereof which exceeds such tax liability may be carried forward for credit in the succeeding taxable year or years until the total amount of the tax credit is used, except that no such tax credit shall be carried forward for deduction after the 10th taxable year succeeding the taxable year in which such credit initially was claimed and no carry forward shall be allowed for deduction in any succeeding taxable year unless the taxpayer continued to be qualified and was recertified for such succeeding taxable year pursuant to K.S.A. 74-50,131, and amendments thereto.

(f) For tax years commencing after December 31, 2005, any taxpayer claiming credits pursuant to this section, as a condition for claiming and qualifying for such credits, shall provide information pursuant to K.S.A. 2009 Supp. 79-32,243, and amendments thereto, as part of the tax return in which such credits are claimed. Such credits shall not be denied solely on the basis of the contents of the information provided by the taxpayer pursuant to K.S.A. 2009 Supp. 79-32,243, and amendments thereto.

(g) This section and K.S.A. 79-32,160b, and amendments thereto, shall be part of and supplemental to the job expansion and investment credit act of 1976 and acts amendatory thereof and supplemental thereto.

Sec. 11. K.S.A. 2009 Supp. 79-32,243 is hereby amended to read as follows: 79-32,243. (a) For tax years commencing after December 31, 2005, any taxpayer claiming credits pursuant to K.S.A. 74-50,132, 79-32,153 or 79-32,160a, and amendments thereto, as a condition for claiming and qualifying for such credits, shall provide the following information as part of the tax return, in which such credits are claimed, which shall be used by the department of revenue in evaluating the effectiveness of such tax credit programs, pursuant to K.S.A. 2009 Supp. 74-99b35, and amendments thereto:

(1) Actual jobs created as a direct result of the expenditures on which such credit claim is based, if the taxpayer has previously submitted an estimate of such number of actual jobs created to the department of commerce as a part of applying for certification for such program participation;

(2) additional payroll generated as a direct result of the expenditures on which such credit claim is based, if the taxpayer has previously submitted an estimate of such amount of additional payroll generated to the department of commerce as a part of applying for certification for such program participation;

(3) actual jobs retained as a direct result of the expenditures on which such credit claim is based, if the taxpayer has previously submitted an estimate of actual jobs retained to the department of commerce as a part of applying for certification for such program participation;

(4) additional revenue generated as a direct result of the expenditures on which such credit claim is based, if the taxpayer has previously submitted an estimate of such amount of additional revenue generated to the department of commerce as a part of applying for certification for such program participation;

(5) additional sales generated as a direct result of the expenditures on which such credit claim is based, if the taxpayer has previously submitted an estimate of additional sales generated to the department of commerce as a part of applying for certification for program participation;

and

(6) total employment and payroll at the end of the tax year in which the credits are claimed; and

(7) such further information as shall be required by the secretary of revenue.

(b) Such credits specified in subsection (a) shall not be denied solely on the basis of the information provided by the taxpayer pursuant to subsections (a)(1) through ~~(a)(6)~~ (a) (7).

New Sec. 12. The secretary of revenue in consultation with the secretary of commerce shall develop a form which must be completed annually by any business that received any tax benefit pursuant to the promoting employment across Kansas act and amendments thereto. Such form shall be developed no later than December 31, 2010, and shall request, at a minimum, the information required by paragraphs (1), (2), (3), (4), (5) and (6) of subsection (a) of K.S.A. 79-32,243, and amendments thereto, and such other information as shall be required by the secretary of revenue and the secretary of commerce. Upon completion of the form, the business completing the form shall file the form electronically with the secretary of revenue or submit the form in the manner prescribed by the secretary of revenue. The contents of the completed form shall be confidential except as provided in K.S.A. 79-3234 and amendments thereto.

New Sec. 13. The legislative post auditor shall conduct an audit of the promoting employment across Kansas act under this section in accordance with the provisions of the legislative post audit act. The audit shall focus on the effectiveness of the act in fostering economic growth, creating new jobs and promoting the location of business facilities, other operations and jobs in Kansas. Such audit shall be submitted to the legislature at the beginning of the regular session of the legislature held during 2015. The audit shall make a recommendation on the retention or adjustment of the limitation described in subsection (g) of K.S.A. 2009 Supp. 74-50,213, and amendments thereto.

New Sec. 14. No person who was a member of the legislature on the effective date of this act may avail themselves of the benefits under the provisions of K.S.A. 2009 Supp. 74-50,210 through 74-50,216, and amendments thereto, until after July 1, 2015.

Sec. 15. K.S.A. 2009 Supp. 74-50,103, 74-50,136, 74-50,210, 74-50,211, 74-50,212, 74-50,213, 74-50,214, 79-3234, 79-32,153, 79-32,160a and 79-32,243 are hereby repealed.

Sec. 16. This act shall take effect and be in force from and after its publication in the statute book.

Approved May 17, 2010.

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