

## HOUSE BILL No. 2304

By Committee on Commerce, Labor and Economic Development

Requested by Representative K. Williams

2-5

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1 AN ACT concerning economic development; relating to government  
2 transparency; requiring local governments to report certain local  
3 economic development incentive program information to the secretary  
4 of commerce; defining such programs; requiring the secretary of  
5 commerce to post such information on the economic development  
6 incentive program database maintained by the secretary; requiring  
7 certain search result presentation formats, a comprehensive report and a  
8 summary report; amending K.S.A. 2024 Supp. 74-50,226 and 74-  
9 50,227 and repealing the existing sections.

10  
11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. K.S.A. 2024 Supp. 74-50,226 is hereby amended to read as  
13 follows: 74-50,226. As used in K.S.A. 2024 Supp. 74-50,226 and 74-  
14 50,227, and amendments thereto:

15 (a) "Administering agency" means the state agency or department  
16 charged with administering a particular economic development incentive  
17 program, as set forth by the program's enacting statute or, where no  
18 department or agency is set forth, the department of revenue.

19 (b) "Economic development incentive program" means:

20 (1) Any economic development incentive program administered  
21 wholly or in part by the secretary of commerce;

22 (2) any tax credit program, except for social and domestic tax credits,  
23 regardless of the administering agency;

24 (3) property that has been exempted from ad valorem taxation under  
25 the provisions of section 13 of article 11 of the constitution of the state of  
26 Kansas;

27 (4) property that has been purchased, acquired, constructed,  
28 reconstructed, improved, equipped, furnished, repaired, enlarged or  
29 remodeled with all or any part of the proceeds of revenue bonds issued  
30 under the authority of K.S.A. 12-1740 through 12-1749a, and amendments  
31 thereto, that is exempt from ad valorem taxation under K.S.A. 79-201a  
32 *Second*, and amendments thereto; ~~and~~

33 (5) any economic development fund, including, but not limited to, the  
34 job creation program fund established by K.S.A. 74-50,224, and  
35 amendments thereto, and the economic development initiatives fund,

- 1 established by K.S.A. 79-4804, and amendments thereto; and
- 2 (6) local government-based economic development programs or
- 3 incentives, including, but not limited to:
- 4 (A) Community improvement districts, K.S.A. 12-6a26 et seq., and
- 5 amendments thereto;
- 6 (B) tax increment financing, K.S.A. 12-1770 et seq., and amendments
- 7 thereto;
- 8 (C) business improvement districts, K.S.A. 12-1781 et seq., and
- 9 amendments thereto;
- 10 (D) self-supported municipal improvement districts, K.S.A. 12-1794
- 11 et seq., and amendments thereto;
- 12 (E) neighborhood revitalization act, K.S.A. 12-17,114 et seq., and
- 13 amendments thereto;
- 14 (F) downtown redevelopment act, K.S.A. 12-17,121 et seq., and
- 15 amendments thereto;
- 16 (G) transportation development districts, K.S.A. 12-17,140 et seq.,
- 17 and amendments thereto;
- 18 (H) public improvement districts, K.S.A. 12-17,152 et seq., and
- 19 amendments thereto;
- 20 (I) industrial development bonds, K.S.A. 12-3801 et seq., and
- 21 amendments thereto; and
- 22 (J) any grant, loan, lease, land acquisition, site preparation, utilities,
- 23 facilities, streets or roadways, workforce development, workforce training
- 24 or any other incentive offered by the local government and accepted by the
- 25 recipient that may be quantified as to the value provided to the recipient.
- 26 (c) "Enterprise" means a corporation, limited liability company, S
- 27 corporation, partnership, registered limited liability partnership,
- 28 foundation, association, nonprofit entity, sole proprietorship, business trust
- 29 or other entity engaged in business.
- 30 (d) "Local government" means:
- 31 (1) Any city, county or unified government, or any subdivision
- 32 thereof; or
- 33 (2) any instrumentality of a city, county or unified government,
- 34 established for the purpose of economic development of such city, county
- 35 or unified government, that is funded in whole or in part by such local
- 36 government.
- 37 (e) "Recipient" means the enterprise, identified by the business name
- 38 filed with the secretary of state, that is the original applicant for and ~~that~~
- 39 receives proceeds from an economic development incentive program
- 40 directly from the administering agency. "Recipient" includes an enterprise
- 41 that is no longer solvent due to bankruptcy and a recipient with respect to
- 42 an economic development project that has failed. *If the "recipient" is an*
- 43 *enterprise created primarily for the purpose of the economic development*

1 *project, "recipient" includes the enterprise or enterprises, partners or*  
2 *principals that own or, individually or with other enterprises, have a*  
3 *controlling interest in the "recipient."*

4 (f) *"Searchable website or web page" means a website or web page*  
5 *that allows the public to search and aggregate the information identified*  
6 *and required to be provided by this section and K.S.A. 74-50,227, and*  
7 *amendments thereto, including requirements that the website or web page*  
8 *offer users the ability to efficiently search and display data at least by*  
9 *economic development incentive program, recipient and location of the*  
10 *economic development project by county.*

11 (e)(g) *"Social and domestic tax credits" means the adoption credit*  
12 *created pursuant to K.S.A. ~~79-202a~~ 79-32,202a, and amendments thereto,*  
13 *the earned income tax credit created pursuant to K.S.A. 79-32,205, and*  
14 *amendments thereto, the food sales tax credit created pursuant to K.S.A.*  
15 *79-32,271, and amendments thereto, the child and dependent care tax*  
16 *credit created pursuant to K.S.A. 79-32,111c, and amendments thereto, and*  
17 *the homestead property tax refund created pursuant to K.S.A. 79-4501 et*  
18 *seq., and amendments thereto.*

19 (f)(h) *"Tax credit program" means any credit allowed against the tax*  
20 *imposed by the Kansas income tax act, the premium or privilege fees*  
21 *imposed pursuant to K.S.A. 40-252, and amendments thereto, or the*  
22 *privilege tax as measured by net income of financial institutions imposed*  
23 *pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and*  
24 *amendments thereto.*

25 Sec. 2. K.S.A. 2024 Supp. 74-50,227 is hereby amended to read as  
26 follows: 74-50,227. (a) The department of commerce shall collect  
27 incentive data from economic development incentive programs that  
28 provide more than \$50,000 of annual incentives from administering  
29 agencies *or local governments* as required by this section. Such data shall  
30 be collected from administering agencies *or local governments* and be  
31 stored in a database that is available to the public in a digital format. The  
32 database shall ~~contain information from multiple years and must be~~  
33 ~~searchable, printable and~~ available to access over the internet on the  
34 department of commerce's website on a permanently accessible web page  
35 that may be accessed via a conspicuous link ~~to that web page~~ placed on the  
36 front page of the department's website. Information included in the  
37 database shall be updated by the department of commerce *at least* on an  
38 annual basis and such update shall be completed prior to the end of the  
39 following fiscal year in which such incentive was earned or distributed.  
40 *The database shall be a searchable website or web page that is*  
41 *comprehensive of all information required by this section for all years as*  
42 *required by this section and shall permit searches by a user of such*  
43 *information by economic development incentive program, county and*

1 recipient. The database shall permit the user, on one web page and by  
2 means of an easily accessible drop-down menu or other similar prompt, to  
3 select to search at least by keyword or phrase within separately identified  
4 categories of economic development incentive program, county and  
5 recipient name. A search result shall include all information required by  
6 this section, and such information applicable to the search result shall be  
7 in one printable or downloadable report. In addition to such a  
8 comprehensive report, the database shall be configured to provide a  
9 summary report in response to a search when requested. The summary  
10 report shall provide the total incentives awarded to the recipient and the  
11 total incentives that have been provided to the recipient. Such information  
12 shall be produced by economic development incentive program, county  
13 and recipient name.

14 (b) (1) Local governments shall provide the department of commerce  
15 with all available and reasonably obtainable information required by this  
16 section for all active economic development incentive programs of such  
17 local government commenced prior to July 1, 2025, that provide more  
18 than \$50,000 in value in annual incentives. On and after July 1, 2025,  
19 requiring the provision of all information required by this section as  
20 necessary from a recipient and providing such information to the  
21 department of commerce by the local government shall be a condition of  
22 commencing or providing any incentive to a recipient pursuant to any  
23 economic development incentive program that will provide more than  
24 \$50,000 in value in annual incentives. Information required by this section  
25 for programs commencing after July 1, 2025, shall be provided to the  
26 department of commerce within 30 days of the execution of an economic  
27 development incentive program agreement between the local government  
28 and the recipient. The local government shall provide updates of all  
29 applicable information required by this section to the secretary of  
30 commerce, in the manner and form as required by the secretary, at least  
31 annually and at such additional time or times as may be required by the  
32 secretary.

33 (2) On an after July 1, 2025, any recipient that will receive more than  
34 \$50,000 in value in annual incentives from any economic development  
35 incentive program provided by a local government or any administering  
36 agency shall, as a condition of the award of such incentives, agree to  
37 provide all information required by this section to the secretary, at such  
38 times and in the form and manner as required by the secretary, for  
39 publication on the department's database as provided by this section.

40 ~~(b)(c)~~ (c) The database required to be created by subsection (a) shall  
41 contain the following information ~~or shall contain a link by which the user~~  
42 ~~can access such information:~~

43 (1) User information for each economic development incentive

1 program, including the:

2 (A) Names and addresses, ~~including county~~, of recipients receiving  
 3 benefits from the program and, for sales tax and revenue bonds issued  
 4 under the STAR bond financing act, K.S.A. 12-17,162 et seq., and  
 5 amendments thereto, the names of principals and officers for each project  
 6 developer;

7 (B) annual amount of incentives claimed, distributed to or received  
 8 by each recipient and any remaining balance of the total amount of  
 9 incentives claimed or awarded to the recipient;

10 (C) qualification criteria for the economic development incentive  
 11 program, including, if available, qualification criteria specific to the  
 12 recipient. Qualification criteria shall include, but not be limited to, any  
 13 requirements regarding the number of jobs created or the amount of initial  
 14 or annual capital improvement;

15 (D) required benchmarks for continued participation in the economic  
 16 development incentive program and progress made toward the  
 17 benchmarks; and

18 (E) years for which the recipient has received benefits under the  
 19 economic development incentive program;

20 (2) descriptive information for each economic development program,  
 21 which shall include:

22 (A) A description and history of the program, including its inception  
 23 date;

24 (B) the purpose or goals of the program and the criteria for  
 25 qualification;

26 (C) applications for the program, if any, and relevant resources or  
 27 contacts;

28 (D) the program cost and return on investment, including  
 29 assumptions used to calculate the return on investment;

30 (E) the program compliance rate;

31 (F) annual reports, if required by statute; and

32 (G) evaluations of the program, if any; and

33 (3) annual data, which shall be organized by recipient, county and  
 34 program and shall include the:

35 (A) Total amount of annual incentives from a program claimed or  
 36 received by a recipient;

37 (B) total amount of incentives received by recipients in each county;  
 38 and

39 (C) total amount of incentives distributed by each program.

40 ~~(e)(d)~~ Data collected pursuant to this section ~~must~~ shall be aggregated  
 41 and provided by program, recipient and county.

42 ~~(d)(e)~~ Except as otherwise provided in this subsection, and  
 43 notwithstanding any information publication requirements listed in this

1 section, no information shall be disclosed by the secretary of commerce  
 2 under this section if such disclosure would:

- 3 (1) Violate any federal law;
- 4 (2) violate the confidentiality provisions of any agreement executed  
 5 before July 1, ~~2019~~ 2025;
- 6 (3) in the discretion of the secretary of commerce, be detrimental to  
 7 the development of a STAR bond project or jeopardize an economic  
 8 development incentive program or project; or
- 9 (4) disclose the names or other personally identifying information of  
 10 individuals who have made contributions or investments pursuant to the  
 11 provisions of an economic development incentive program for the purpose  
 12 of receiving a tax credit.

13 Information that is otherwise publicly available shall not be considered  
 14 confidential and shall be subject to publication as provided in this section.

15 ~~(e)~~(f) (1) The secretary of commerce shall report in writing to the  
 16 standing committee on commerce, labor and economic development of the  
 17 house of representatives and the standing committee on commerce of the  
 18 senate any information not disclosed by the secretary pursuant to  
 19 subsection (d)(3) and the reason *why* the information was not disclosed.  
 20 *Commencing on January 31, 2026, such reports shall be made on or*  
 21 *before January 31 of each year for such information not disclosed in the*  
 22 *fiscal year ending the preceding June 30.* Any testimony or oral  
 23 presentation before the committee or discussion by the committee with  
 24 respect to the report shall be considered the discussion of data relating to  
 25 financial affairs or trade secrets of corporations, partnerships, trusts, and  
 26 individual proprietorships pursuant to the provisions of K.S.A. 75-4319(b)  
 27 (4), and amendments thereto, for purposes of the Kansas open meetings  
 28 act, and shall be closed to the public.

29 (2) The report of the secretary pursuant to subsection ~~(e)(1)~~ (f)(1)  
 30 shall be confidential and shall not be subject to the provisions of the  
 31 Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto,  
 32 except that two years after the report is submitted to a legislative  
 33 committee, such report shall be a public record open for inspection under  
 34 the Kansas open records act, K.S.A. 45-215 et seq., and amendments  
 35 thereto.

36 Sec. 3. K.S.A. 2024 Supp. 74-50,226 and 74-50,227 are hereby  
 37 repealed.

38 Sec. 4. This act shall take effect and be in force from and after its  
 39 publication in the statute book.