

SESSION OF 2017

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2408

As Recommended by House Committee on
Taxation

Brief*

HB 2408 would authorize the Secretary of Revenue (Secretary) to require, as a condition of initial or continued employment, the fingerprinting of contractors and employees having access to federal tax information received directly from the Internal Revenue Service (IRS). Such persons also would be subject to state and national criminal history record checks. The Secretary would be authorized to submit the fingerprints to the Kansas Bureau of Investigation and the Federal Bureau of Investigation. Local and state law enforcement agencies would be required to assist the Department of Revenue (Department) in the taking and processing of fingerprints and to release all records of arrests and convictions to the Secretary.

The Secretary could use information obtained under the bill only to verify the identification of persons and to determine their fitness for employment. Any other use or disclosure of the information would be deemed a class A nonperson misdemeanor and constitute grounds for removal from office, with the exception of certain information that could be shared with the Post Auditor (Legislative Division of Post Audit).

The bill would require all costs be paid by the Department or its contractors.

*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>

Background

In the House Committee on Taxation hearing on March 28, a representative of the Department explained the IRS recently mandated all states conduct fingerprint and background checks of all personnel who have access to federal tax information; and that many millions of dollars in state tax collections could be imperiled if Kansas were to be deemed out of compliance and could no longer work cooperatively with the IRS and receive federal tax information. No other testimony was provided.

The fiscal note prepared by the Division of the Budget estimates the Department would incur an additional \$28,999 in FY 2018 costs associated with the fingerprinting and criminal history checks for its 617 employees. These fiscal effects are not reflected in *The FY 2018 Governor's Budget Report*.