

HOUSE BILL No. 2006

By Representative Williams

1-4

1 AN ACT concerning the department of commerce; relating to the
2 disclosure of economic development incentive program data, tax credit
3 programs and certain property tax exemptions; required database;
4 amending K.S.A. 2018 Supp. 75-5133 and 79-3234 and repealing the
5 existing sections.
6

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

8 New Section 1. (a) As used in this section:

9 (1) "Administering agency" means the state agency or department
10 charged with administering a particular income tax credit program, as set
11 forth by the program's enacting statute or, where no department or agency
12 is set forth, the department of revenue.

13 (2) "Economic development incentive program" means:

14 (A) Any economic development incentive program administered
15 wholly or in part by the secretary of commerce;

16 (B) any tax credit program, except for social and domestic tax credits,
17 regardless of the administering agency;

18 (C) property that has been exempted from ad valorem taxation under
19 the provisions of section 13 of article 11 of the constitution of the state of
20 Kansas; and

21 (D) property that has been purchased, acquired, constructed,
22 reconstructed, improved, equipped, furnished, repaired, enlarged or
23 remodeled with all or any part of the proceeds of revenue bonds issued
24 under the authority of K.S.A. 12-1740 through 12-1749a, and amendments
25 thereto, that is exempt from ad valorem taxation under K.S.A. 79-201a
26 *Second*, and amendments thereto.

27 (3) "Enterprise" means a corporation, limited liability company, S
28 corporation, partnership, registered limited liability partnership,
29 foundation, association, nonprofit entity, sole proprietorship, business trust
30 or other entity engaged in business.

31 (4) "Recipient" means the enterprise that is the original applicant for
32 and that receives proceeds from an economic development incentive
33 program directly from the administering agency.

34 (5) "Social and domestic tax credits" means the adoption credit
35 created pursuant to K.S.A. 79-202a, and amendments thereto, the earned
36 income tax credit created pursuant to K.S.A. 2018 Supp. 79-32,205, and

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Office of Revisor of Statutes

1 amendments thereto, the food sales tax credit created pursuant to K.S.A.
 2 2018 Supp. 79-32,271, and amendments thereto, the child and dependent
 3 care tax credit created pursuant to K.S.A. 2018 Supp. 79-32,111c, and
 4 amendments thereto, and the homestead property tax refund created
 5 pursuant to K.S.A. 79-4501 et seq, and amendments thereto.

6 (6) "Tax credit program" means any credit allowed against the tax
 7 imposed by the Kansas income tax act, the premium or privilege fees
 8 imposed pursuant to K.S.A. 40-252, and amendments thereto, or the
 9 privilege tax as measured by net income of financial institutions imposed
 10 pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and
 11 amendments thereto.

12 (b) The department of commerce shall collect incentive data from
 13 economic development incentive programs that provide more than \$50,000
 14 of annual incentives from administering agencies as required by this
 15 section. Such data shall be collected from administering agencies and be
 16 stored in a database that is available to the public in a digital format. The
 17 database shall contain information from multiple years and must be
 18 searchable, printable and available to access over the internet either on the
 19 department of commerce's website or via a conspicuous link on the front
 20 page of the department's website. Information included in the database
 21 shall be updated by the department of commerce on an annual basis and
 22 such update shall be completed prior to the end of the following fiscal year
 23 in which such incentive was earned or distributed.

24 (c) The database required to be created by subsection (b) shall contain
 25 the following information or shall contain a link by which the user can
 26 access such information:

27 (1) User information for each economic development incentive
 28 program, including the:

29 (A) Names and addresses, including county, of recipients receiving
 30 benefits from the program and, for sales tax and revenue bonds issued
 31 under the STAR bond financing act, K.S.A. 2018 Supp. 12-17,162 et seq.,
 32 and amendments thereto, the names of principals and officers for each
 33 project developer;

34 (B) annual amount of incentives claimed and distributed to each
 35 recipient;

36 (C) qualification criteria for the economic development incentive
 37 program, including, if available, qualification criteria specific to the
 38 recipient;

39 (D) ~~required benchmarks for continued participation in the economic-~~
 40 ~~development incentive program; and~~

41 ~~(E) years for which the recipient has received benefits under the~~
 42 economic development incentive program;

43 (2) descriptive information for each economic development program,

. Qualification criteria shall include, but not be limited to, any
 requirements regarding the number of jobs created or the amount of initial
 or annual capital investment; and

1 which shall include:

2 (A) A description and history of the program, including its inception
3 date;

4 (B) the purpose or goals of the program and the criteria for
5 qualification;

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

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

10 (E) the program compliance rate;

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

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

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

15 (A) Total amount of annual incentives from a program claimed by a
16 recipient;

17 (B) total amount of incentives received by recipients in each county;
18 and

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

20 (d) Data collected pursuant to this section must be aggregated and
21 provided by program, recipient and county.

22 (e) Information required to be included in the database under
23 subsection (c) shall not be disclosed if such disclosure would violate any
24 federal law or confidentiality provisions of any agreement executed before
25 July 1, 2019, or if, in the discretion of the secretary of commerce, such
26 disclosure would be detrimental to the development of a STAR bond
27 project.

28 Sec. 2. K.S.A. 2018 Supp. 75-5133 is hereby amended to read as
29 follows: 75-5133. (a) Except as otherwise more specifically provided by
30 law, all information received by the secretary of revenue, the director of
31 taxation or the director of alcoholic beverage control from returns, reports,
32 license applications or registration documents made or filed under the
33 provisions of any law imposing any sales, use or other excise tax
34 administered by the secretary of revenue, the director of taxation, or the
35 director of alcoholic beverage control, or from any investigation conducted
36 under such provisions, shall be confidential, and it shall be unlawful for
37 any officer or employee of the department of revenue to divulge any such
38 information except in accordance with other provisions of law respecting
39 the enforcement and collection of such tax, in accordance with proper
40 judicial order or as provided in K.S.A. 74-2424, and amendments thereto.

41 (b) The secretary of revenue or the secretary's designee may:

42 (1) Publish statistics, so classified as to prevent identification of
43 particular reports or returns and the items thereof;

