

February 21, 2022

The Honorable Robert Olson, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 144-S
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 482 by Senator Warren, et al.

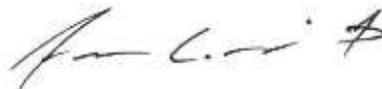
In accordance with KSA 75-3715a, the following fiscal note concerning SB 482 is respectfully submitted to your committee.

SB 482 would create the Firearm Industry Nondiscrimination Act. Beginning July 1, 2022, the bill would prohibit a governmental entity from entering into any contract with a company for the purchase of goods or services unless the contract includes a written certification that the company does not: (1) have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate against a firearm entity or firearm trade association during the term of such contract. The bill would not apply to a governmental entity that contracts with a sole-source provider or does not receive any bids from a company that is able to provide the written certification.

The Office of the Attorney General (OAG) states that enactment of the bill would result in a legal challenge that would have to go through the appellate process to obtain a definitive ruling on the validity of the law. The Office indicates an appellate decision could take between two and four years depending on if the case was filed in federal or state court. The defense could be handled by OAG staff, but the Office indicates it is possible that specialized outside counsel would need to be hired to defend a potential lawsuit. In addition, if a challenge is successful, the state could be ordered to pay the plaintiff's attorney fees. However, a precise fiscal effect cannot be determined because expenditures from potential legal challenges cannot be estimated. Any increase in expenditures for the OAG to defend the state would be financed by transfers from the State General Fund.

The Department of Administration Office of Procurement and Contracts indicates that enactment of the bill would have a negligible fiscal effect that could be absorbed within existing resources. Any fiscal effect associated with SB 482 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Willie Prescott, Office of the Attorney General
Celeste Chaney-Tucker, Department of Administration