

February 11, 2022

The Honorable Jim Kelly, Chairperson  
House Committee on Financial Institutions and Rural Development  
Statehouse, Room 218-N  
Topeka, Kansas 66612

Dear Representative Kelly:

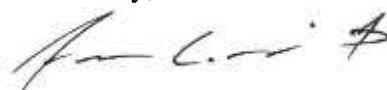
**SUBJECT:** Fiscal Note for HB 2623 by House Committee on Financial Institutions and Rural Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2623 is respectfully submitted to your committee.

HB 2623 would enact the Rural Remote Worker Incentive Act. An expanding or new business that created a minimum of five net new remote jobs in rural areas of the state could apply to the Secretary of Commerce for a cash incentive payment of \$4,000 per net new rural remote job created. A "rural area" would be defined as a city with a population of 60,000 or less located in a county with a population of 80,000 or less, or a county with a population of 40,000 or less. The bill would include several other definitions, requirements for the incentives, and would create the Rural Remote Worker Incentive Fund. The total amount of cash incentive payments out of the fund would be limited to \$600,000.

The Department of Commerce reports that enactment of HB 2623 would have a negligible fiscal effect on agency operations and could be implemented with current staff and resources. The Kansas Association of Counties notes that counties would not directly receive any incentive funds but counties that fell under the Act could potentially see increases in property and sales tax revenue. The League of Kansas Municipalities states enactment of the bill would not have any fiscal effect on cities. Any fiscal effect associated with HB 2623 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Jay Hall, Association of Counties  
Sherry Rentfro, Department of Commerce  
Wendi Stark, League of Municipalities