

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Commerce, Labor and Economic Development** recommends **HB 2006** be amended on page 1, following line 7, by inserting:

"New Section 1. (a) Under the authority of this section and the legislative post audit act, and subject to appropriations therefor, the legislative post audit committee shall direct the post auditor and the division of post audit to conduct a systematic and comprehensive review, analysis and evaluation, under the provisions of the legislative post audit act, of each economic development incentive program as identified by the legislative post audit committee pursuant to the definition of economic development incentive program in section 2, and amendments thereto.

(b) The evaluations shall be considered within the meaning of the term audit for purposes of the legislative post audit act and shall be conducted by the post auditor and the division of legislative post audit pursuant to a schedule developed by the legislative post audit committee, such that all economic development incentive programs shall be reviewed every two years, and new economic development incentive programs shall be reviewed the year after the program commences, and then every two years thereafter. The timing and extent of the evaluations may be subject to adjustment by the legislative post audit committee in a manner consistent with the requirements of this section as necessary to conform with resources available to the post auditor in consideration of the demands of other duties under the legislative post audit act.

(c) In conducting such evaluations, the post auditor and the division of post audit shall have access to all books, accounts, records, files, documents and correspondence, confidential or

otherwise, to the same extent permitted under K.S.A. 46-1106(e), and amendments thereto, and shall be subject to the same duty of confidentiality as provided by the legislative post audit act.

(d) The evaluations shall include:

(1) A description of the economic development incentive program;

(2) an assessment of the program's design and administration;

(3) an estimate of the economic and fiscal impact;

(4) a return on investment calculation for the economic development incentive program. For purposes of this paragraph, "return on investment calculation" means analyzing the cost to the state or political subdivision for providing the economic development incentive program and analyzing the benefits realized by the state or political subdivision from providing the economic development incentive program;

(5) other information as requested by the legislative post audit committee; and

(6) all information, after redaction, as necessary, by the post auditor to remove information confidential under state or federal law, required for publication pursuant to section 3, and amendments thereto, with respect to the program being evaluated.

(e) The post auditor shall prepare and submit a written report with respect to each evaluation to the legislative post audit committee as provided by the legislative post audit act and, in addition, shall prepare and provide any redacted information, with respect to the economic incentive program evaluated, required for publication by the secretary of commerce pursuant to section 3, and amendments thereto, to the secretary of commerce if such information is not otherwise available to the secretary of commerce.

(f) This section shall be a part of and supplemental to the legislative post audit act.";

Also on page 1, in line 8, by striking "Section 1" and inserting "Sec. 2"; also in line 8, by striking "(a)"; also in line 8, by striking "this section" and inserting "sections 2 and 3, and amendments thereto";

in line 9, by striking "(1)" and inserting "(a)"; in line 13, by striking "(2)" and inserting "(b)"; in line 14, by striking "(A)" and inserting "(1)"; in line 16, by striking "(B)" and inserting "(2)"; in line 18, by striking "(C)" and inserting "(3)"; in line 20, by striking "and"; in line 21, by striking "(D)" and inserting "(4)"; in line 26, after "thereto" by inserting "; and

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

Also on page 1, in line 27, by striking "(3)" and inserting "(c)"; in line 31, by striking "(4)" and inserting "(d)"; in line 34, by striking "(5)" and inserting "(e)";

On page 2, in line 6, by striking "(6)" and inserting "(f)"; in line 12, before "(b)" by inserting "New Sec. 3."; also in line 12, by striking "(b)" and inserting "(a)"; in line 24, by striking "(b)" and inserting "(a)"; in line 38, after "recipient, by inserting ". 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 improvement"; by striking all in line 39; in line 40, by striking all before "and";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 3, by striking all in lines 22 through 27 and inserting:

"(d) Except as otherwise provided in this subsection, and notwithstanding any information publication requirements listed in this section, no information shall be disclosed by the secretary of commerce under this section if such disclosure would:

- (1) Violate any federal law;
- (2) violate the confidentiality provisions of any agreement executed before July 1, 2019;
- (3) in the discretion of the secretary of commerce, be detrimental to the development of a STAR bond project or jeopardize an economic development incentive program or project; or
- (4) disclose the names or other personally identifying information of individuals who have made contributions or investments pursuant to the provisions of an economic development incentive program

for the purpose of receiving a tax credit.

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

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 6, in line 25, after "commerce" by inserting "that may be disclosed pursuant to the provisions of section 3, and amendments thereto,"; in line 26, by striking "1" and inserting "3";

On page 10, in line 8, after "commerce" by inserting "that may be disclosed pursuant to the provisions of section 3, and amendments thereto,"; in line 9, by striking "1" and inserting "3";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after "to" by inserting "economic development incentive program evaluations by legislative post audit,"; and the bill be passed as amended.

_____Chairperson