

HOUSE BILL No. 2238

By Committee on Taxation

2-9

1 AN ACT concerning the state budget; state general fund and special
2 revenue fund expenditures, transfers and ending balance requirements;
3 reduction and allotment procedures; economic impact statements and
4 fiscal note updates for legislation.

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

7 Section 1. (a) The director of legislative research shall prepare an
8 economic impact statement in accordance with this section for a bill or
9 other matter under consideration by the legislature upon request of:

- 10 (1) The president of the senate;
11 (2) the majority leader of the senate;
12 (3) the minority leader of the senate;
13 (4) the chairperson of the committee on ways and means of the
14 senate or the successor committee;
15 (5) the ranking minority member of the ways and means
16 committee of the senate or the successor committee;
17 (6) the chairperson of the assessment and taxation committee
18 of the senate or the successor committee;
19 (7) the ranking minority member of the assessment and
20 taxation committee of the senate or the successor committee;
21 (8) the speaker of the house of representatives;
22 (9) the majority leader of the house of representatives;
23 (10) the minority leader of the house of representatives;
24 (11) the chairperson of the committee on appropriations of the
25 house of representatives or the successor committee;
26 (12) the ranking minority member of the committee on
27 appropriations of the house of representatives or the successor committee;
28 (13) the chairperson of the committee on taxation of the house
29 of representatives or the successor committee; or
30 (14) the ranking minority member of the committee on
31 assessment and taxation of the house of representatives.

32 (b) The director of legislative research shall prepare a
33 statement of significant economic impacts of the bill or other matter
34 specified in the request upon the Kansas economy. The economic impact
35 statement shall include:

- 36 (1) A brief description of the bill or other matter;

1 (2) whether the bill or other matter is mandated by federal law
2 as a requirement for participating in or implementing a federally
3 subsidized or assisted program and whether the bill or other matter meets
4 or exceeds the requirements of applicable federal law;

5 (3) a description of the cost estimate of the bill or other matter,
6 the persons and the state agencies that will bear the costs; and

7 (4) economic analyses of the effects of the bill or other matter
8 under consideration on significant economic indicators, which may
9 include, but which are not limited to, projected growth or decline in the
10 number and kinds of jobs, general economic growth and inflation factors
11 in the short-term and long-term, in conjunction with the characteristics of
12 current economic factors that are significant in the Kansas economy, and
13 the impact of selected economic indicators that are specified in the
14 request.

15 (c) The director of legislative research shall exercise informed,
16 independent professional judgment and may have the assistance of
17 qualified professional staff in the legislative research department and
18 other state agencies, as determined appropriate, to prepare economic
19 impact statements. The director of legislative research may use widely
20 accepted econometric techniques, including dynamic scoring, to assist in
21 the preparation of economic impact statements. The director of legislative
22 research may consult with other state agencies, cities, counties, school
23 districts or other local governmental entities, as appropriate, when
24 preparing the economic impact statement of a bill or other matter which
25 increases or decreases revenues of state government, cities, counties,
26 school districts or other local governmental entities or which imposes
27 functions or responsibilities on state government, cities, counties, school
28 districts or other local governmental entities which may increase
29 expenditures or fiscal liability. A copy of the current economic impact
30 statement on a bill or other matter shall be available from the Kansas
31 legislative research department upon request.

32 (d) Upon request of the director of legislative research, the
33 director of the budget, the secretary of revenue and each other state
34 agency shall provide assistance in the preparation of an economic impact
35 statement for a bill, including any supplemental or revised statement. The
36 economic impact statement and each supplement thereto or revision
37 thereof shall include a reliable estimate of the anticipated changes in the
38 Kansas economy and the revenues and expenditures of the state. It also
39 shall include a statement, if determinable or reasonably foreseeable, of
40 the immediate and long-range economic impact of the bill or other matter
41 upon persons subject thereto and the general public. If, after careful
42 investigation and analysis, it is determined that a reliable monetary cost
43 estimate is not possible, the statement shall set forth the reasons why no

1 monetary cost estimate can be prepared. Every state agency shall
2 cooperate with the director of legislative research in the preparation of
3 any statement pursuant to this section when, and to the extent, requested
4 by the director of legislative research.

5 Sec. 2. (a) In accordance with this section, the director of
6 legislative research may review and may prepare an update for each fiscal
7 note prepared by the division of the budget under K.S.A. 75-3715a, and
8 amendments thereto, for a bill or other matter under consideration by the
9 legislature, which has changes recommended or adopted by a committee
10 or by the senate or the house of representatives, upon request of:

- 11 (1) The president of the senate;
- 12 (2) the majority leader of the senate;
- 13 (3) the minority leader of the senate;
- 14 (4) the chairperson of the committee on ways and means of the
15 senate or the successor committee;
- 16 (5) the ranking minority member of the ways and means
17 committee of the senate or the successor committee;
- 18 (6) the chairperson of the assessment and taxation committee
19 of the senate or the successor committee;
- 20 (7) the ranking minority member of the assessment and
21 taxation committee of the senate or the successor committee;
- 22 (8) the speaker of the house of representatives;
- 23 (9) the majority leader of the house of representatives;
- 24 (10) the minority leader of the house of representatives;
- 25 (11) the chairperson of the committee on appropriations of the
26 house of representatives or the successor committee;
- 27 (12) the ranking minority member of the committee on
28 appropriations of the house of representatives or the successor committee;
- 29 (13) the chairperson of the committee on taxation of the house
30 of representatives or the successor committee; or
- 31 (14) the ranking minority member of the committee on
32 assessment and taxation of the house of representatives.

33 (b) The director of legislative research shall prepare each
34 updated fiscal note in accordance with the provisions and procedures and
35 subject to the guidelines prescribed by K.S.A. 75-3715a, and amendments
36 thereto.

37 (c) The director of legislative research shall exercise informed,
38 independent professional judgment and shall have the assistance of
39 qualified professional staff in the legislative research department to
40 prepare the updates to fiscal notes in accordance with this section. The
41 director of legislative research may use widely accepted econometric
42 techniques, including dynamic scoring, to assist in the preparation of
43 updates to fiscal notes. The director of legislative research may consult

1 with other state agencies, cities, counties, school districts or other local
2 governmental entities, as appropriate, in preparing updates to fiscal notes.
3 A copy of the current updated fiscal note on a bill or other matter shall be
4 available from the Kansas legislative research department upon request.

5 (d) Upon request of the director of legislative research, the
6 director of the budget, the secretary of revenue and each other state
7 agency shall provide assistance in preparing updates to fiscal notes under
8 this section. Every state agency shall cooperate with the director of
9 legislative research in the preparation of any statement pursuant to this
10 section when, and to the extent, requested by the director of legislative
11 research.

12 Sec. 3. Legislative committees of the senate and house, the
13 executive branch and the entire legislature shall use the economic impact
14 statement in addition to fiscal notes in the deliberation and analysis of
15 proposed tax and economic development legislation.

16 Sec. 4. This act shall take effect and be in force from and after its
17 publication in the statute book.
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