

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2837H.02C
Bill No.: HCS for HB 1350
Subject: Economic Development; Tax Credits; Department of Economic Development
Athletics
Type: Original
Date: April 27, 2025

Bill Summary: This proposal modifies provisions relating to incentives for interstate business relocation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume the current law contains language that a business relocating from a boarding county in Kansas to a boarding county in Missouri would not be eligible for certain tax credits and retention of withholding payments. The original language contained an expiration date of August 28, 2025, which would have allowed companies relocating to receive the incentives. This proposal extends the expiration date of this proposal to August 28, 2035, leaving in place the prohibition on these incentives.

This proposal adds language clarifying the economic activity would include both jobs and professional sports teams and their venues. DOR assumes no fiscal impact from this proposal.

Officials from the **Office of Administration – Budget & Planning (B&P)** this proposal will not have a direct impact on total state revenues. However, to the extent incentives or appropriations are modified in response to qualifying economic activities, general or total state revenues may be impacted.

Officials from DOR & B&P assume the proposal will have no direct fiscal impact on their organization and the total state revenues. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **Attorney General’s Office**, the **Department of Economic Development**, the **Oversight Division**, the **Office of the Secretary of State**, and the **Joint Committee on Administrative Rules** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **City of Kansas City** and the **City of Osceola** both assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

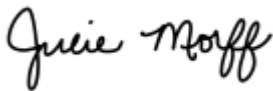
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules
Oversight Division
Department of Economic Development
City of Kansas City
City of Osceola



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Director
April 27, 2025



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Assistant Director
April 27, 2025