

April 1, 2014

The Honorable Julia Lynn, Chairperson  
Senate Committee on Commerce  
Statehouse, Room 445-S  
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 445 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 445 is respectfully submitted to your committee.

SB 445 would amend the Promoting Employment Across Kansas (PEAK) Act to allow a specified portion of the PEAK benefits that are awarded to a company to be paid to an approved representative. The bill defines an approved representative as a person engaged by the Secretary of Commerce to provide business recruitment services and who materially participates in the successful qualification of a qualified company for PEAK benefits.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$1,725	\$1,725
FTE Pos.	--	--	--	--

The Department of Revenue estimates that SB 445 would have no fiscal effect on state revenues. The bill would allow part of the PEAK benefits awarded to a qualified company to be paid to an individual engaged in business recruiting. The bill would not affect the amount of PEAK benefits being awarded to the company.

The Department of Revenue indicates that it would require \$1,725 from the State General Fund in FY 2015 for the costs associated with modifying its tax reporting program. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. However, if the combined effect of implementing this bill and other enacted

The Honorable Julia Lynn, Chairperson

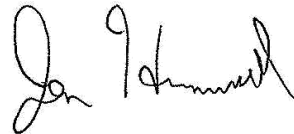
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legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required.

The Department of Commerce currently manages the PEAK Program and is responsible for reviewing and approving applications for PEAK benefits. The Department of Commerce indicates that the proposed changes to the PEAK Program could be implemented within the agency's existing resources and staff levels. Any fiscal effect associated with SB 445 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and "H".

Jon Hummell,  
Interim Director of the Budget

cc: Steve Neske, Revenue  
Dan Lara, Commerce