

SENATE BILL No. 202

By Committee on Agriculture

2-14

1 AN ACT concerning agriculture; relating to agricultural production firms;
2 high performance incentive program qualification for certain firms;
3 amending K.S.A. 2012 Supp. 74-50,131 and repealing the existing
4 section.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2012 Supp. 74-50,131 is hereby amended to read as
8 follows: 74-50,131. Commencing after December 31, ~~1999~~ 2011: (a) As
9 used in this act: "Qualified firm" means a for-profit business
10 establishment, subject to state income, sales or property taxes, identified
11 under the North American industry classification system (NAICS)
12 subsectors 221, 311 to 339, 423 to 425, 481 to 519, 521 to 721 ~~and~~, 811 to
13 928, 1123, 1124, 112112, 112120 or 112210 or is identified as a corporate
14 or regional headquarters or back-office operation of a national or multi-
15 national corporation regardless of NAICS designation. The secretary of
16 commerce shall determine eligibility when a difference exists between a
17 firm's primary business activity and NAICS designation. A business
18 establishment may be assigned a NAICS designation according to the
19 primary business activity at a single physical location in the state.

20 (b) In the case of firms in NAICS subsectors 221, 423 to 425, 481 to
21 519, 521 to 721 and 811 to 928, the business establishment must also
22 demonstrate the following:

23 (1) More than $\frac{1}{2}$ of its gross revenues are a result of sales to
24 commercial or governmental customers outside the state of Kansas; or

25 (2) more than $\frac{1}{2}$ of its gross revenues are a result of sales to Kansas
26 manufacturing firms within NAICS subsectors 311 to 339; or

27 (3) more than $\frac{1}{2}$ of its gross revenues are a result of a combination of
28 sales described in (1) and (2).

29 (c) For purposes of determining whether one of the average wage
30 options described in subsection (d) below is satisfied, business
31 establishments located within a metropolitan county, as defined in K.S.A.
32 74-50,114, and amendments thereto, will be compared only to other
33 businesses within that metropolitan county, and business establishments
34 located outside of a metropolitan county will be compared to businesses
35 within an aggregation of counties representing the business establishment's
36 region of the state, which regional aggregation will exclude metropolitan

1 counties. Such aggregation shall be determined by the department of
2 commerce.

3 (d) Additionally, a business establishment having met the criteria as
4 established in subsection (a) or (b), and using the comparison method
5 described in subsection (c), must meet one of the following criteria:

6 (1) The establishment with 500 or fewer full-time equivalent
7 employees will provide an average wage that is above the average wage
8 paid by all firms with 500 or fewer full-time equivalent employees which
9 share the appropriate NAICS designation.

10 (2) The establishment with 500 or fewer full-time equivalent
11 employees is the sole firm within its appropriate NAICS designation
12 which has 500 or fewer full-time equivalent employees.

13 (3) The establishment with more than 500 full-time equivalent
14 employees will provide an average wage that is above the average wage
15 paid by firms with more than 500 full-time equivalent employees which
16 share the appropriate NAICS designation.

17 (4) The establishment with more than 500 full-time equivalent
18 employees is the sole firm within its appropriate NAICS designation
19 which has more than 500 full-time equivalent employees, in which event it
20 shall either provide an average wage that is above the average wage paid
21 by all firms with 500 or fewer full-time equivalent employees which share
22 the appropriate NAICS designation, or be the sole firm within its
23 appropriate NAICS designation.

24 (e) As an alternative to the requirements of subsections (c) and (d), a
25 firm having met the requirements of subsections (a) or (b), may qualify, if
26 excluding taxable disbursements to company owners, the business
27 establishment's annual average wage must be greater than or equal to 1.5
28 times the aggregate average wage paid by industries covered by the
29 employment security law based on data maintained by the secretary of
30 labor.

31 (f) For the purposes of this section, the number of full-time
32 equivalent employees shall be determined by dividing the number of hours
33 worked by part-time employees during the pertinent measurement interval
34 by an amount equal to the corresponding multiple of a 40-hour work week
35 and adding the quotient to the number of full-time employees.

36 (g) The secretary of commerce shall certify annually to the secretary
37 of revenue that a firm meets the criteria for a qualified firm and that the
38 firm is eligible for the benefits and assistance provided under this act. The
39 secretary of commerce is hereby authorized to obtain any and all
40 information necessary to determine such eligibility. Information obtained
41 under this section shall not be subject to disclosure pursuant to K.S.A. 45-
42 215 et seq., and amendments thereto, but shall upon request be made
43 available to the legislative post audit division. The secretary of commerce

1 shall publish rules and regulations for the implementation of this act. Such
2 rules and regulations shall include, but not be limited to:

3 (1) A definition of "training and education" for purposes of K.S.A.
4 74-50,132, and amendments thereto.

5 (2) Establishment of eligibility requirements and application
6 procedures for expenditures from the high performance incentive fund
7 created in K.S.A. 74-50,133, and amendments thereto.

8 (3) Establishment of approval guidelines for private consultants
9 authorized pursuant to K.S.A. 74-50,133, and amendments thereto.

10 (4) Establishment of guidelines for prioritizing business assistance
11 programs pursuant to K.S.A. 74-50,133, and amendments thereto.

12 (5) A definition of "commercial customer" for the purpose of K.S.A.
13 74-50,133, and amendments thereto.

14 (6) A definition of "headquarters" for the purpose of K.S.A. 74-
15 50,133, and amendments thereto.

16 (7) Establishment of guidelines concerning the use and disclosure of
17 any information obtained to determine the eligibility of a firm for the
18 assistance and benefits provided for by this act.

19 Sec. 2. K.S.A. 2012 Supp. 74-50,131 is hereby repealed.

20 Sec. 3. This act shall take effect and be in force from and after its
21 publication in the statute book.