



TESTIMONY

TO: HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND PENSIONS

FROM: SCOTT HEIDNER, EXECUTIVE DIRECTOR, AMERICAN COUNCIL OF ENGINEERING COMPANIES OF KANSAS (ACEC KS)

RE: HB 2739

DATE: MARCH 4, 2024

Mr. Chairman, members of the Committee, thank you for the opportunity to submit testimony on HB 2739 on behalf of ACEC KS. ACEC KS is the trade organization representing private sector consulting engineering companies. We represent thousands of engineers and supporting staff at consulting companies across the state.

ACEC KS is neutral on the overall legislation, our comments/concerns are focused exclusively on section 6 of the bill. We recognize that the major focus of this bill appears to be pension funds and other financial entities. However, section 6 spreads restrictions to private sector firms doing business with the State of Kansas under two scenarios.

The first scenario is a company which is domiciled in a country of concern. The word "domiciled" is defined in the bill, and it is very unlikely it would impact ACEC KS members current or future. We have no objection to that language.

The second scenario is the one which raises concerns. It places restrictions on entities with a "principal place of business" in countries of concern. The phrase "principal place of business" is not defined in HB 2739. This conceivably could apply to any company with a presence in those countries. Even if the company is domiciled in America, or more specifically in Kansas, since "principal place of business" is undefined.

We strongly encourage the Committee to strike the phrase "or with a principal place of business" out of HB 2739. This would ensure the focus of this bill remains where it belongs and keeps it from being overbroad, possibly bringing in Kansas firms which are valuable partners to our state agencies. It might be argued that this can be addressed by defining "principal place of business" in HB 2739. While this is technically true, it certainly seems like the cleaner adjustment is to strike the phrase, which is would we recommend the committee consider.

Thank you again for the opportunity to submit these remarks.