AN ACT enacting the Kansas financial incentive protection act; providing requirements, procedures and penalties for violations thereof; duties of business entities receiving financial assistance from the state.

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

Section 1. (a) The provisions of this act shall be known and may be cited as the Kansas incentive protection act.

(b) As used in this act: (1) "Business entity" means any individual, person, corporation, limited liability company, organization or partnership recognized by law, or any combination thereof, and including any subsidiary thereof;

(2) "financial incentives" means any agreement or understanding between the state of Kansas or instrumentality thereof and a business entity providing for awards, grants, loans, loan guarantees, tax credits, deductions, exemptions, retention or receipt of withholding taxes, or other tax benefits or other financial assistance to such business entity, and any tax credits, deductions, exemptions, retention or receipt of withholding taxes, or other tax benefits which such business entity earned, qualified for or claimed pursuant to law; and

(3) "outsourcing jobs" means to relocate or move employment, jobs or positions or eliminate jobs performed in an amount which exceeds 50 jobs, positions or employees from the state of Kansas to outside of the United States of America and causing the functions of such positions to be performed by workers in another country.

(c) (1) As a condition of the receipt or claim of any financial incentives, the business entity shall agree that it will not outsource jobs.

(2) Except as provided in subsection (c)(5), any business entity that outsources jobs shall return such financial incentives to the state instrumentality providing such financial incentive.

(3) A business entity that violates the provisions of this section shall not receive any financial incentives for a period of five years from the date of determination of such violation.

(4) If the business entity receives financial or claims incentives but then outsources jobs during the twelve-month period after such business entity receives or claims such financial incentives or during the contractual period for the particular financial incentive which results in a net loss of
jobs, such business entity shall return such financial incentives to the state.

(5) Any financial incentives received or earned prior to the effective
date of this act shall not be subject to the provisions of this act.

(6) If a business entity outsources jobs during the period referred to in
subsection (c)(4) but does not achieve a net loss of jobs for the business
entity's statewide employment level, the provisions of this section shall not
apply.

(d) The attorney general shall have the authority to enforce the
provisions of this section.

(e) (1) The department of commerce shall file an annual report with
the attorney general noting the business entity, the amount and the reason
for the financial incentive and any other data that the attorney general may
require. The report shall be submitted before February 1 of each year. The
secretary of revenue shall provide assistance to the secretary of commerce
in preparation of such report.

(2) Any business entity that receives financial incentives from the
state shall submit an annual report to the attorney general and the
department of commerce stating the amount and type of any financial
incentive received or claimed, the number of employees of such business
entity gained or lost in Kansas over the course of the year, the use to which
the financial incentives were applied and any other data the attorney
general or the department of commerce may require. The report shall be
submitted before February 1 of each year.

(3) Each report shall be made available to the public in an easily
accessible format, including, but not limited to, an electronic version via
the world wide web.

(f) The provisions of this act are declared to be severable, and if any
provisions, word, phrase or clause of the act, or the application thereof to
any person, shall be held invalid, such invalidity shall not affect the
validity of the remaining portions of this act.

Sec. 2. This act shall take effect and be in force from and after its
publication in the statute book.