

SESSION OF 2002

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2962

As Recommended by House Committee on
New Economy

Brief*

HB 2962 would lower the threshold to qualify for the Investments in Major Projects and Comprehensive Training Program (IMPACT). Specifically, the bill would reduce the amount of jobs retained to qualify for the IMPACT program from at least 1,000 jobs to at least 250 jobs. The bill would also reduce the capital investment required to qualify for the IMPACT program from a minimum of \$200,000,000 to \$50,000,000.

Background

The IMPACT program provides employers seeking to relocate or expand their business operations within the State of Kansas financial assistance to train employees hired to fill the new jobs created by the relocation or the expansion. Eligible industries include basic enterprises creating a large number of new jobs and paying higher than average wages. Funding for the IMPACT program comes from a percentage of state income tax withholding moneys.

The House Committee held a hearing on HB 2962, at which time representatives of the Greater Topeka Chamber of Commerce and the Goodyear Tire and Rubber Company testified in favor of the bill.

The Division of the Budget reports that passage of HB 2962 would not have a fiscal effect on the operations of the Department of Commerce and Housing, the agency administering the IMPACT program. The fiscal note for HB 2962 also notes that if the number of businesses receiving IMPACT grants increases as a result of the lower thresholds, the amount of bonds issued to finance the program could also increase accordingly.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>