

CORRECTED
SESSION OF 2012

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2454**

As Recommended by Senate Committee on
Ways and Means

Brief*

Senate Sub. for HB 2454, as amended, would create the Creative Arts Industries Commission (CAIC) within the Department of Commerce. The bill would merge the existing powers, functions, and duties of the Kansas Arts Commission and the Kansas Film Commission. Under the bill, CAIC would be the official state program for the arts and would be charged with promoting, supporting, coordinating, fostering, developing, and measuring the outcomes of the arts. The Kansas Arts Commission and the Kansas Film Services Commission would be abolished.

CAIC would have 13 members, who would serve for terms of three years and who could be reappointed to a term of three years. Under the provisions of the bill, members may not serve more than two terms. Additionally, there would always be at least one member from each congressional district. The members of CAIC would include the following:

- Two members appointed by the President of the Senate;
- One member appointed by the Minority Leader of the Senate;
- Two members appointed by the Speaker of the House;

*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>

- One member appointed by the Minority Leader of the House;
- Four members appointed by the Governor;
- One member appointed by the Kansas Small Business Development Center;
- One member appointed by the Kansas Citizens for the Arts; and
- One member appointed by the Kansas Humanities Council.

All members appointed by the Governor would be appointed for terms of three years, except in the initial appointment, two members would be appointed for two-year terms and two members would be appointed for three-year terms.

The members of CAIC should represent the major fields of the arts and related industries and CAIC is required to meet at least four times during each calendar year. The Department of Commerce would provide staff and other assistance as required by CAIC. The executive director would be appointed by CAIC, subject to the approval of the Secretary of Commerce.

The bill would also create a new individual income tax checkoff program to provide an additional funding source for the CAIC. Beginning in tax year 2013, individual income taxpayers would have the option of donating to the Kansas Creative Arts Industries Commission Checkoff Fund (KCAICCF). All moneys deposited in the fund would be used to fund CAIC.

CAIC can authorize the use of their logo to be affixed on license plates issued to support Kansas arts according to KSA 2011 Supp. 8-1,161. Any royalty payment to CAIC derived from the sale of the Kansas arts license plates will be

credited to the Kansas Creative Arts Industries Commission special gifts fund.

Background

The Senate Committee on Ways and Means adopted a substitute bill containing provisions of SB 440 and all of HB 2454. The contents of both bills were included in the substitute.

HB 2454

The KCAICCF would join four other checkoff programs currently available on the Kansas income tax form: the Kansas Non-game Wildlife Improvement Program, Meals on Wheels Contribution Program, Breast Cancer Research Fund, and Military Emergency Relief Fund. The total amount provided for all four existing checkoffs in 2011 was \$415,511.

Proponents of the bill included Representative Mike O'Neal (written only); and Linda Browning Weis, Chairman, Kansas Arts Commission. There were no opponents to the bill.

SB440

SB 440 was introduced by the Senate Committee on Ways and Means. Proponents of the bill included: Linda Browning Weis, Chairman, Kansas Arts Commission; Sarah Fizell, Kansas Citizens for the Arts; Peter Jasso, Kansas Film Commission; Vicki Buening, Kansas Citizens for the Arts; Gail Parsons, Executive Director, Junction City Arts Council; Henry Schwaller, Kansas Arts Commission; Robert Lynch, President, Americans for the Arts; Jonathan Katz, Chief Executive Officer, National Assembly of State Arts Agencies; Emily Hunter, Executive Director, Symphony in the Flint Hills; Jeannie McKenna, President, Emporia Area Chamber of Commerce; and Mary Kennedy McCabe, Executive Director,

Mid-America Arts Alliance.

There were no opponents to the bill.

The Senate Committee amended the bill by increasing the number of Commission members by two, from 11 to 13, changing the make-up of the Commission to reduce the number of members appointed by the Governor from seven to four and include one member appointed by each of the Kansas Small Business Development Center, the Kansas Citizens for the Arts, and the Kansas Humanities Council. The Senate Committee also changed the authority to appoint the executive director to the Commission with the approval of the Secretary of Commerce. It also removed references to humanities except for the references to the Kansas Humanities Council.

The fiscal note for HB2454, as introduced, did not indicate the anticipated amount of revenue that would be received by the Kansas Creative Arts Industries Commission Checkoff KCAICCF. The Department of Revenue did indicate that the new checkoff program would necessitate \$88,000 of additional administrative costs in FY 2014.

The revised fiscal note for SB 440 indicated that passage of the bill would have no fiscal impact. Under the FY 2013 Governor's budget recommendation, CAIC would be funded through a \$200,000 appropriation from the Economic Development Initiatives Fund. The Department of Revenue would manage costs associated with the changes to the CAIC logo and funds spent on purchasing one roll of sheeting for the vehicle tags within existing resources.