

March 24, 2017

The Honorable Les Mason, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Mason:

SUBJECT: Fiscal Note for HB 2349 by House Committee on General Government Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2349 is respectfully submitted to your committee.

HB 2349 would create the Kansas Arts Commission (KAC), which would be composed of nine members. The members of the KAC would include: 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 of Representatives; one member appointed by the Minority Leader of the House of Representatives; and three members appointed by the Governor. Members would be appointed for a term of three-years and may be reappointed for a term of three-years. Members of the KAC attending Commission meetings or a subcommittee meeting may be paid compensation, subsistence allowances, and mileage. Also, the bill would specify what certain powers, duties, and functions of the Kansas Creative Arts Industries Commission (KCAIC) would be transferred to the KAC and specifies what functions would remain with the KCAIC.

The bill would designate the KAC the official state agency for the development and coordination of the arts within Kansas. The KAC would be required to fulfill all grant requirements of the federal National Endowment for the Arts (NEA) and would take all steps necessary to obtain and maintain full status with the NEA conferring full eligibility for the NEA grant programs.

The bill would allow the KAC to accept funds, artifacts, or property from any person, corporation, association, or the federal government for any purpose relating to the promotion or expansion of arts. Property or artifacts received may be sold, transferred, traded, loaned, or disposed of in any manner. Monies received by the KAC would be credited to the Kansas Arts Commission Gifts, Grants and Bequests Fund, which the bill establishes.

Under HB 2349, the KAC could accept and receive funds, including funds from the sale of property, real or personal, the acceptance of which is subject to use for a purpose specified by the donor of the funds. The KAC would remit all monies received to the Kansas Arts Commission Special Gifts Fund, which HB 2349 establishes.

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The bill allows the KAC to appoint an Executive Director who would be in the unclassified service under the Kansas Civil Service Act. The Executive Director would receive an annual salary fixed by the KAC and approved by the Governor. Further, the Executive Director could appoint necessary employees who would be in the unclassified or classified service under the Kansas Civil Service Act as designated by the Executive Director.

HB 2349 would create the Kansas Arts Commission Fund and all funding could only be used to operate the KAC. The Attorney General would be required to provide legal services as may be necessary at the request of the KAC, except the KAC could seek other counsel if deemed necessary and prudent.

Under current law, an owner or lessee of a vehicle or truck, who is a resident of Kansas, may be issued one “Support Kansas Arts” license plate. The KCAIC may authorize the use of the Commission’s logo on the license plate and the KCAIC receives a royalty payment in the amount of not less than \$25, but not more than \$100. Any royalty payment is credited to the Kansas Creative Arts Industries Commission Special Gifts Fund. HB 2349 would transfer the license plate to the KAC and royalty payments would be credited to the Kansas Arts Commission Special Gifts Fund.

HB 2349 would change the income tax check off option to the KAC. Under the bill, the Director of Taxation of the Department of Revenue would determine annually the total amount designated for contribution to the Kansas Arts Commission Checkoff Fund and would report the amount to the State Treasurer. The entire amount would be credited to the Kansas Arts Commission Checkoff Fund, which the bill establishes. All monies would be used to fund the KAC.

In the Governor’s budget, there is \$187,709 from the Economic Development Initiatives Fund to fund the KCAIC in FY 2018. The Department of Commerce states there would need to be expenditures of \$350,000 to \$500,000 for the KAC in order to meet the NEA required match to receive federal funds. The Department also indicates there would need to be additional resources to fund the filming operations of the KCAIC.

According to the Department of Revenue, enactment of HB 2349 would have no fiscal effect for the license plate because there is already a “Support Kansas Arts” license plate currently in production. The agency estimates one-time implementation costs of \$8,445 for administrative changes and testing. Any fiscal effect associated with HB 2349 is not reflected in *The FY 2018 Governor’s Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Bob North, Commerce
Dawn Palmberg, Department of Labor