

As Amended by House Committee

Session of 2022

HOUSE BILL No. 2623

By Committee on Financial Institutions and Rural Development

2-8

1 AN ACT concerning rural development; relating to employment in rural
2 areas; ~~enacting~~ **establishing** the rural remote worker incentive ~~act~~ **pilot**
3 **program**; ~~establishing~~ **providing** administrative responsibilities,
4 powers, duties and rules and regulations authority with the secretary of
5 commerce; ~~providing~~ definitions, requirements, procedures and
6 incentives; creating the rural remote worker incentive fund in the state
7 treasury; **requiring certain reports to legislative committees.**
8

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

10 Section 1. (a) The provisions of sections 1 through ~~5~~ **8**, and
11 amendments thereto, shall be known and may be cited as the rural remote
12 worker incentive ~~act~~ **pilot program.**

13 Sec. 2. As used in ~~this act~~ **sections 1 through 8, and amendments**
14 **thereto:**

15 (a) ~~"Act" means the rural remote worker incentive act.~~

16 ~~(b)~~ **"Business location"** means the physical address where a business
17 conducts business operations including headquarters, branch and satellite
18 facilities.

19 ~~(e)~~**(b)** **"County median wage"** means the median wage paid to
20 employees located in the county where the **expanding or new** business
21 ~~intends to establish remote jobs is or will be located in Kansas~~ as
22 reported by the department of labor in such department's annual report for
23 the previous year.

24 ~~(d)~~**(c)** **"Expanding business"** means the expansion of an existing
25 business facility, division, office, department or other operation located in
26 the state of Kansas and locating in Kansas remote jobs directly related to
27 such business facility, division, office, department or other operation.

28 ~~(e)~~**(d)** **"New business"** means a facility, plant, division, office,
29 department or other business operations of an entity that was not doing
30 business in Kansas prior to the submission of an application for incentives
31 under this act.

32 **(e) "Program" means the rural remote worker incentive pilot**
33 **program.**

34 **(f) "Remote job"** means a **newly created** full-time permanent remote
35 or mobile employee of an expanding or new business who works from
36 such employee's residence or other space in a rural area for 30 or more

1 hours per week. "Remote job" does not mean a part-time, temporary or
2 seasonal employee.

3 (g) "Rural area" means a:

4 ~~(1) City with a population of 60,000 or less located in a county with a~~
5 ~~population of 80,000 or less; or~~

6 ~~(2) county with a population of 40,000 or less.~~

7 (h) "Secretary" means the secretary of commerce.

8 Sec. 3. (a) An expanding or new business that creates a minimum of
9 five ~~net new~~ remote jobs in rural areas may apply to the secretary for ~~the~~
10 **one-time incentives under this act the program. An expanding or new**
11 **business shall not apply to the secretary for the one-time incentives**
12 **under the program until the end of the calendar year in which each**
13 **remote worker completed 12 consecutive months of full-time**
14 **permanent remote or mobile work in a rural area for such expanding**
15 **or new business.** All remote jobs shall be at least 30 miles from the
16 business location of such expanding or new business. To qualify for
17 incentives under ~~this act the program~~, the minimum wage for a remote
18 job shall be equal to or greater than the county median wage where the
19 ~~remote job is located~~ **expanding or new business is or will be located in**
20 **Kansas.** The application for such incentives shall be submitted on a form
21 and in a manner prescribed by the secretary and shall include a copy of the
22 quarterly wage and unemployment tax return form of such business that is
23 submitted to the department of labor or other evidence required by the
24 secretary through rules and regulations.

25 (b) Subject to appropriations and upon approval by the secretary, the
26 expanding or new business shall receive a cash incentive payment of
27 \$4,000 per ~~net new~~ rural remote job created. Such cash incentive payments
28 shall be made from the rural remote worker incentive fund created in
29 section 4, and amendments thereto. The total amount of cash incentive
30 payments from the rural remote worker incentive fund shall not exceed
31 \$600,000.

32 (c) The secretary shall adopt rules and regulations necessary to
33 implement and administer the provisions of ~~this act the program~~. **All**
34 **rules and regulations adopted pursuant to this section shall not**
35 **expand the administrative powers or duties of the secretary beyond**
36 **those powers or duties specifically granted under the program. Such**
37 **rules and regulations shall not substantially alter the legislative intent**
38 **regarding the program. The department of commerce shall implement**
39 **and administer the provisions of the program within existing staff and**
40 **resources of the department.**

41 Sec. 4. (a) There is hereby created in the state treasury the rural
42 remote worker incentive fund, which shall be administered by the
43 secretary or the secretary's designee. All expenditures from the fund shall

1 be for the purpose of providing the cash incentive payments in accordance
2 with section 3, and amendments thereto.

3 (b) All expenditures from the rural remote worker incentive fund
4 shall be made in accordance with appropriation acts upon warrants of the
5 director of accounts and reports issued pursuant to vouchers approved by
6 the secretary or the secretary's designee.

7 (c) **On June 30, 2025, the director of accounts and reports shall**
8 **transfer all moneys in the rural remote worker incentive fund to the**
9 **state general fund. On June 30, 2025, all liabilities of the rural remote**
10 **worker incentive fund are hereby transferred to and imposed on the**
11 **state general fund and the rural remote worker incentive fund is**
12 **hereby abolished.**

13 Sec. 5. Incentives awarded to a business under ~~this act~~ **the program**
14 may be in addition to any other economic development incentive program
15 administered wholly or in part by the secretary, including, but not limited to,
16 the Kansas industrial training and retraining programs, K.S.A. 74-5065
17 et seq., and amendments thereto, the high performance incentive program,
18 K.S.A. 74-50,131 et seq., and amendments thereto, the promoting
19 employment across Kansas act, K.S.A. 74-50,210 et seq., and amendments
20 thereto, and the job creation program fund, K.S.A. 74-50,224 et seq., and
21 amendments thereto.

22 **Sec. 6. Utilizing existing staff and resources, the department of**
23 **commerce shall promote the rural remote worker incentive program**
24 **to expanding or new Kansas businesses and to any out-of-state**
25 **businesses relocating to Kansas, including businesses that have not**
26 **applied for any other economic development incentive program**
27 **administered wholly or in part by the secretary.**

28 **Sec. 7. During the 2024 regular session of the legislature, the**
29 **department of commerce shall present a report on the progress of the**
30 **program to the house of representatives committee on financial**
31 **institutions and rural development and the senate committee on**
32 **commerce or the successors of such committees.**

33 **Sec. 8. The provisions of sections 1 through 8, and amendments**
34 **thereto, shall expire on July 1, 2025.**

35 ~~Sec. 6~~ **9.** This act shall take effect and be in force from and after its
36 publication in the statute book.