

HOUSE BILL No. 2123

By Committee on Commerce, Labor and Economic Development

1-20

1 AN ACT concerning economic development; enacting the right-to-start
2 act; relating to the department of commerce; establishing the office of
3 entrepreneurship within the department of commerce; encouraging that
4 5% of state contracts and certain incentive funding go toward Kansas
5 businesses that have been in operation for less than five years; the
6 elimination of first-year business fees; requiring the office of
7 entrepreneurship to submit an annual report to the house standing
8 committee on commerce, labor and economic development and the
9 senate standing committee on commerce.

10
11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. Sections 1 through 4, and amendments thereto, shall be
13 known and may be cited as the right-to-start act.

14 Sec. 2. (a) There is hereby established within the department of
15 commerce the office of entrepreneurship.

16 (b) The office of entrepreneurship shall:

17 (1) Employ personnel, including at least one full-time employee, to
18 strengthen policies and programs supporting the growth of
19 entrepreneurship in the state of Kansas, including across demographic
20 segments and geographic areas;

21 (2) work with stakeholders and organizations supporting
22 entrepreneurship to enhance learning and skills, provide technical support
23 and expand access to resources for entrepreneurs across the state of
24 Kansas;

25 (3) serve as a point of contact to assist businesses operating for five
26 years or less in any interactions with state government; and

27 (4) prepare an annual report pursuant to section 4, and amendments
28 thereto.

29 Sec. 3. Beginning on July 1, 2023, the state of Kansas shall
30 encourage:

31 (a) Five percent of the total number of state contracts to be awarded
32 to businesses that have been in operation for less than five years and
33 whose principal place of business is in the state of Kansas;

34 (b) five percent of workforce development funding, including funding
35 allocated by workforce development boards across the state, toward
36 supporting organizations or programs for individuals starting new

1 businesses or to those organizations or programs that provide services to
2 businesses established within the previous five years and whose principal
3 place of business is in the state of Kansas;

4 (c) five percent of funding budgeted for economic development
5 programs, including community development block grants, to be allocated
6 to supporting for individuals starting new businesses or to those
7 organizations or programs that provide services to businesses established
8 within the previous five years and whose principal place of business is in
9 the state of Kansas; and

10 (d) the elimination of all first-year business fees relating to any
11 license or registration for any new business or a person establishing a new
12 business, including home-based businesses, whose principal place of
13 business is in the state of Kansas.

14 Sec. 4. Not later than January 31, 2024, and annually thereafter, the
15 office of entrepreneurship shall submit a report to the house of
16 representatives standing committee on commerce, labor and economic
17 development and the senate standing committee on commerce that
18 includes, but is not limited to:

19 (a) (1) The number and total dollar amount of state contracts awarded
20 to businesses that have been in operation for less than five years, including
21 a breakdown by demographic segments and geographical areas throughout
22 the state of Kansas;

23 (2) the percentage of the number of state contracts awarded to
24 businesses that have been in operation for less than five years compared to
25 the total number of contracts awarded;

26 (3) the percentage of the total dollar amount of state contracts
27 awarded to businesses that have been in operation for less than five years
28 compared to the total dollar amount of contracts awarded; and

29 (4) recommendations on improving access to state contracts for
30 Kansas businesses that have been in operation for less than five years,
31 including those businesses in statistically underrepresented demographic
32 segments and geographic areas of the state of Kansas;

33 (b) (1) the percentage of workforce development funding, including
34 funding allocated by workforce development boards across the state,
35 supporting organizations or programs for individuals starting new
36 businesses or to those organizations or programs that provide services to
37 businesses established within the previous five years and whose principal
38 place of business is in the state; and

39 (2) the total dollar amount of workforce development funding,
40 including funding allocated by workforce development boards across the
41 state, supporting organizations or programs for individuals starting new
42 businesses or to those organizations or programs that provide services to
43 businesses established within the previous five 5 years and whose

1 principal place of business is in the state;

2 (c) (1) the percentage of economic development funding, including
3 community development block grants, supporting organizations or
4 programs for individuals starting new businesses or to those organizations
5 or programs that provide services to businesses established within the
6 previous five years and whose principal place of business is in the state;
7 and

8 (2) the total dollar amount of economic development funding,
9 including community development block grants, supporting organizations
10 or programs for individuals starting new businesses or to those
11 organizations or programs that provide services to businesses established
12 within the previous five years and whose principal place of business is in
13 the state; and

14 (d) the extent to which state legislation that has been signed by the
15 governor in the prior legislative session or year supports, hinders or
16 otherwise affects businesses operating for five years or less.

17 Sec. 5. This act shall take effect and be in force from and after its
18 publication in the statute book.