

February 15, 2023

The Honorable Ken Rahjes, Chairperson
House Committee on Agriculture and Natural Resources
300 SW 10th Avenue, Room 112-N
Topeka, Kansas 66612

Dear Representative Rahjes:

SUBJECT: Fiscal Note for HB 2397 by House Committee on Agriculture and Natural Resources

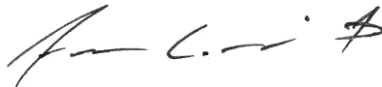
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2397 is respectfully submitted to your committee.

Under the provisions of HB 2397, after July 1, 2023, the Secretary of Agriculture could adopt rules and regulations to add or remove a government or non-government person from the definition of “foreign adversary” after consideration of the risk to the state and national security and the economic costs and benefits of such action. Starting July 1, 2023, no person owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary would be allowed to purchase, acquire by grant, devise or descent or otherwise obtain ownership of any interest in real property located in Kansas, nor would those individuals be allowed to sell or convey real property in Kansas that was acquired prior to July 1, 2023, to those connected with a foreign adversary. If the real property is inherited illegally on or after July 1, 2023, the person would have 12 months to divest the property once the violation is known and this act would be considered an affirmative defense to violations of the bill. The Attorney General would investigate any sale, transfer, or other conveyance of title to real property located in Kansas if the Attorney General has reason to believe the transaction violates the provisions of HB 2397. The provisions of the bill would be severable.

The Office of the Attorney General states that the bill could increase its caseload, but any increase could be absorbed within existing resources. The Judicial Branch states that the bill could have a fiscal effect, but an estimate cannot be determined. The Department of Agriculture states

that the bill would not have a fiscal effect on its operating expenditures. Any fiscal effect associated with HB 2397 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: John Milburn, Office of the Attorney General
Vicki Jacobsen, Judiciary