

## **Message from the Governor**

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I veto Senate Bill 123. Senate Bill 123 codifies into law funding the State Treasurer's Office through "banking fees," fees charged on warrants issued by other state agencies. This funding mechanism was first implemented in the FY 2004 budget as a response to my request for the State Treasurer's Office to become a self-supporting agency. In my FY 2004 budget, I recommended a new plan to fund this office, one that would not place an unnecessary burden upon other state agencies. However, the State Treasurer rejected that plan. In the FY 2005 budget, and again in the FY 2006 budget the Legislature approved last week, "banking fees" fully fund the State Treasurer's office.

I believe the State Treasurer's Office should operate with funding that is not simply shifted from other state agencies, but generated from fees on services the Treasurer's Office delivers to the people of Kansas.

The veto of this legislation in no way jeopardizes the funding of the Treasurer's Office. Full funding of the State Treasurer's office is provided under the FY 2006 budget. This measure, however, does allow the State Treasurer's Office, the office of the Governor, and the legislature to further discuss how best to fund the Treasurer's Office.

Signed: Kathleen Sebelius, Governor

Dated: April 8, 2005

SENATE BILL No. 123

AN ACT concerning the state treasurer; authority to charge certain fees.

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

Section 1. (a) The state treasurer is hereby authorized to charge cash management fees, banking services fees and fees for processing warrants, vouchers and direct deposits for the services that the state treasurer's office provides to other state agencies. Such fees shall be based upon the number and type of transactions processed for each agency. Payroll warrants shall not be subject to any fee, except for the charges to the state's operating account for processing such warrants. The fees shall be based upon a combination of the banking fees incurred by the state treasurer and the operating costs for providing each service. The state treasurer shall revise its schedule of fees annually after consulting with various state agencies.

(b) The fees collected under this section shall be deposited in the services reimbursement fund of the state treasurer and may be expended for the state treasurer's office general operating expenses in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the state treasurer or by a person designated by the state treasurer.

(c) The director of accounts and reports shall transfer to the services reimbursement fund one or more amounts certified by the state treasurer, for expenses incurred for unemployment insurance benefit warrants issued and processed and electronic transactions processed for the department of labor payable from the employment security fund, from moneys made available to the state under section 903(d) of the federal social security act, as amended, and credited to the employment security fund.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

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*President of the Senate.*

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*Secretary of the Senate.*

Passed the HOUSE \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*