

SESSION OF 2008

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2660

As Amended by Senate Committee on
Agriculture

Brief*

HB 2660 would amend a statute relating to the Petroleum Inspection Fee Fund. The bill would decrease the amount of moneys raised by the petroleum inspection fee and transferred to the State General Fund from \$250,000 to \$100,000.

In addition, the bill would amend a section of law dealing with agricultural chemical (pesticide) registration to allow the Secretary of Agriculture to adopt rules and regulations to permit agricultural chemicals to be registered for a period not to exceed three years. In addition, the bill would permit the Secretary of Agriculture to charge a fee in such an amount not to exceed \$150 times the number of years for which the agricultural chemical would be registered.

Background

The Senate Committee on Agriculture amended the provisions of HB 2860 into this bill.

With regard to the original provisions of the bill, Constantine V. Cotsoradis, Deputy Secretary, Kansas Department of Agriculture, and Tom Palace, Executive Director, Petroleum Marketers and Convenience Store Association of Kansas, testified in support of the bill. Mr. Cotsoradis explained that the primary benefit to the petroleum industry, and the reason it opted to have the Fund, was that the petroleum inspection program gives consumers assurance that they are

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

purchasing a quality product and receiving the correct amount of fuel each time they fill up. Mr. Palace noted, among other things, that fees collected under the Fund are used to administer the Weights and Measures Division to inspect fueling dispensers for fuel quality and quantity. No one testified against the bill.

During the hearing on HB 2860, a spokesperson for the Kansas Agribusiness Retailers Association spoke as a proponent, explaining that the bill would allow the Secretary of Agriculture to extend agricultural chemical registration periods from the current one year to three years. The conferee stated that this would reduce the amount of paperwork that is filed by the registrants annually. The other proponent was a spokesperson from the Kansas Department of Agriculture. This conferee stated that the agency was not opposed to the bill, but suggested that the registrations be staggered.

The House Committee amended HB 2860 to clarify that the agency could charge a fee of a maximum of \$150 for each year of registration.

The fiscal note on the introduced version of HB 2860 states that the Department of Agriculture interprets the bill as having a cap of \$150 per chemical product per year. Under this interpretation, there would be no net change in revenue because a three-year renewal period would be a \$450 registration fee. The Department of Agriculture indicates the agency can implement HB 2860 within its existing operations. The Kansas Water Office, which receives a portion of each agricultural chemical registration fee, indicates that although there would be no fiscal effect for the agency, the year-to-year receipts could fluctuate, depending on the cycle of registrations.

Enactment of HB 2660 would decrease State General Fund revenues by \$150,000 for FY 2009 and in future years, while revenues to the Petroleum Inspection Fee Fund would increase \$150,000.