

Revised
SESSION OF 2009

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2383

As Amended by House Committee on
Agriculture and Natural Resources Budget

Brief*

HB 2383 would amend existing law to deposit fines and civil penalties collected by the Kansas Department of Health and Environment (KDHE) for violations of the Kansas Air Quality Act, Waste Tire Management Act, Kansas Storage Tank Act, and Kansas Drycleaner Environmental Response Act into the State General Fund.

Currently, fees and civil penalties assessed due to violations of the Kansas Air Quality Act, Waste Tire Management Act, Kansas Storage Tank Act, and the Kansas Drycleaner Environmental Response Act are deposited into the agency's corresponding special revenue funds.

The bill would provide that these fees and civil penalties be deposited in the State General Fund rather than the agency's special revenue funds. Other revenue, including fees and settlement or agreement moneys for the various acts, would still be deposited into the agency's corresponding special revenue funds.

Background

The bill was recommended as part of the House Agriculture and Natural Resources Budget Committee's recommendation for the budget of the KDHE Division of Environment. The House Agriculture and Natural Resources

*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>

Budget Committee amended the bill to specify that penalties to be deposited in the State General Fund are civil penalties. The Committee also amended the bill to remove the section that would have directed penalties from violations of certain statutes relating to water quality and waste disposal into the State General Fund. Current law provides that penalties from violations relating to water quality and waste disposal are deposited in the State Water Plan Fund.

John Mitchell, Director for the KDHE Division of Environment, provided neutral testimony on the bill. Mr. Mitchell reported that the KDHE Division of Environment often reaches settlement agreements with persons that are found to be in violation of the above acts. The settlement agreements may stipulate that fines and penalties assessed in a particular case must be deposited into the agency's special revenue funds. Mr. Mitchell stated the agency interprets the bill to allow settlement agreement moneys to be deposited in the fund designated by the agreement and that all other fines and civil penalties would be deposited in the State General Fund.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the KDHE Division of Environment reports that \$687,039 was assessed for fines and penalties in FY 2008 and this amount was deposited into the agency special revenue funds. Based on this information, passage of the bill as introduced would result in approximately \$687,039 being deposited in the State General Fund. However, with the amendment to allow the agency to continue depositing penalties from violations of water quality and waste disposal into the State Water Plan Fund, that amount would be decreased by \$200,755. In addition, fines and penalties received through violations of federal laws would be deposited in the agency's special revenue funds. For FY 2008, the agency received \$41,000 from federal fines and penalties. Based on the amendment and the federal fines and penalties, the net increase to the State General Fund would be \$445,284.