

February 28, 2011

The Honorable Ruth Teichman, Chairperson  
Senate Committee on Financial Institutions and Insurance  
Statehouse, Room 236-E  
Topeka, Kansas 66612

Dear Senator Teichman:

**SUBJECT:** Fiscal Note for SB 182 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 182 is respectfully submitted to your committee.

SB 182 would change the distribution of state tax receipts from the 1.25 percent tax that is paid by insurance companies on certain fire and lightning premiums. Current law provides that the State Fire Marshal receive 64.0 percent of the receipts, the Board of Emergency Medical Services receive 20.0 percent, and Kansas Fire and Rescue Training Institute at the University of Kansas receives 16.0 percent. SB 182 bill would split the proceeds as 20.0 percent of fire and lightning premiums into statute. Of the State Fire Marshal's portion, 20.0 percent, up to \$200,000 goes to the State General Fund. SB 182 would require the 20.0 percent of overall tax receipts that goes to the State General Fund to be split proportionally among all three agencies.

The Kansas Insurance Department indicates passage of SB 182 would have no fiscal effect on the agency. The State Fire Marshal indicates SB 182 may improve the cash flow for the agency slightly by providing an additional \$72,000 in revenue for FY 2012. The Board of Emergency Medical Services estimates the bill would reduce revenue by \$40,000 per year. The Kansas Fire and Rescue Training Institute estimates annual funding would be reduced by \$32,000. Currently, there is a proviso in the State Treasurer's section of the appropriation bill passed by the 2010 Legislature that already splits the 20.0 percent beginning in FY 2011. Any fiscal effect associated with SB 182 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Becky Bahr, Fire Marshal's Office  
Zac Anshutz, Insurance Department

Theresa Gordzica, KU Medical Center  
Steve Sutton, EMS