

February 8, 2017

The Honorable Blaine Finch, Chairperson
House Committee on Judiciary
Statehouse, Room 519-N
Topeka, Kansas 66612

Dear Representative Finch:

SUBJECT: Fiscal Note for HB 2153 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2153 is respectfully submitted to your committee.

HB 2153 would require fee agencies to provide notices to individuals or entities that have paid money to the agency within the previous 24 months if agency fee funds are proposed to be transferred to the State General Fund or any other special revenue fund in the *Governor's Budget Report* or any introduced House or Senate Bill. The person or entity would be required to be notified within 30 days of the publication of the *Governor's Budget Report* or bills containing the transfers. Notifications could be done through electronic means if the fee agency has email addresses on record; otherwise, notifications must be done by first class mail. Notification would not be required for the 10.0 percent of fee agency revenue credited to the State General Fund for governmental service provided to fee agencies. "Fee agency" would include state agencies specified in KSA 75-3717(f) and any other state agency that collects fees for licensing, regulating or certifying a person, profession, commodity or product. The bill also identifies the affected funds.

HB 2153 would result in a fiscal effect in the form of additional staff time for fee agencies to identify individuals or entities that paid into fee funds within the previous 24 months when a transfer from the fee agency funds to the State General Fund is proposed by the Governor or the Legislature. Fee agencies would also incur additional mailing costs from sending notifications to the individuals or entities. The total fiscal effect from all fee agencies that would be affected by the bill is difficult to estimate because the amount of time that agencies would spend identifying individuals or entities or the costs for mailing notifications is not currently available. However, based on information from a sample of agencies, costs could be limited in some cases. Smaller fee agencies report that there would be either no fiscal effect or the fiscal effect would be negligible. For example, the Board of Accountancy and the Board of Technical Professions estimate that the bill would have no fiscal effect on their agencies. The Board of

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Nursing indicates that it has approximately 90.0 percent of the e-mail addresses for active licensees. If the Board of Nursing is unable to obtain the remaining e-mail addresses or if the licensees do not have e-mail addresses, the Board would be required to send notifications to approximately 7,200 licensees at a cost of \$4,731 in FY 2018.

For larger agencies, the fiscal effect and the administrative burden would be greater. The Department of Insurance indicates that there are 32 different fees that are deposited into the Insurance Department Service Regulation Fund. The Department states that they do not have the ability to identify which fees would be affected by a transfer and which individuals or entities would be impacted. As a result, the Department would be required to notify all affected parties which would include 125,566 agents, 11,908 agencies and 19,911 companies. The Department estimates that it would incur additional postage expenses of approximately \$63,000. While the Department is unable to estimate the fiscal effect from the additional staff time needed to provide notifications, the agency believes it would be extensive.

The Office of the State Fire Marshal estimates that it would require additional expenditures of \$66,000 in FY 2018 and FY 2019 to notify individuals or entities if revenues from the Boiler Inspection Fund are transferred to the State General Fund. The amount would include costs for additional staff time and postage. The costs associated with Fire Marshal Fee Fund notifications are unknown. The fund is financed by levies on premiums for fire insurance, which are collected by the Insurance Department. The Office would have to work with the Insurance Department to notify affected entities. Any fiscal effect associated with HB 2153 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Susan Somers, Board of Accountancy
Steve Wassom, Office of the Securities Commissioner
Becky Bahr, Fire Marshal's Office
Glenda Haverkamp, Insurance
Chris Tymeson, Wildlife, Parks & Tourism
Inge Reed, Board of Nursing
Mary Leigh Dyck, Technical Professions