

February 1, 2022

The Honorable Ken Rahjes, Chairperson
House Committee on Agriculture
Statehouse, Room 112-N
Topeka, Kansas 66612

Dear Representative Rahjes:

SUBJECT: Fiscal Note for HB 2563 by House Committee on Agriculture

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2563 is respectfully submitted to your committee.

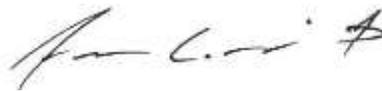
HB 2563 would update current seed law relating to industrial hemp. The bill would give the Kansas Department of Agriculture (KDA) the authority to test and collect fees related to testing services for hemp for non-KDA licensees, in coordination with the Kansas Bureau of Investigation. The bill would also update language concerning labeling requirements for seed and provides requirements for seed treated with certain substances.

The bill would provide administrative legal clean-up of language concerning seed dealer registration and specifying the ceiling on amounts. It would authorize the amount of a seed wholesaler's registration at no greater than \$300 and a seed retailer's registration at no greater than \$30. The Live Plant Dealers registration would be allowed to increase from \$80 to \$100 and the hourly rate from \$30 per hour to \$45 per hour. The bill would provide and clarify specified exemptions from the live plant dealer fee(s). The bill would also remove language concerning the industrial hemp research program and creates the Hemp Advisory Board as part of the permanent commercial industrial hemp program.

Estimated State Fiscal Effect				
	FY 2022 SGF	FY 2022 All Funds	FY 2023 SGF	FY 2023 All Funds
Revenue	--	--	--	\$60,164
Expenditure	--	--	--	\$2,250
FTE Pos.	--	--	--	--

The Kansas Bureau of Investigation indicates the bill would have no fiscal effect on the Bureau. KDA indicates HB 2563 could require the agency to complete five tests of hemp for non-KDA licenses per year at a cost of \$450 for each sample analyzed in time, lab supplies, equipment utilization, etc. For five samples, that would be an increase in revenue from the samples by \$2,250, with a corresponding increase in expenditures of the same amount. The agency indicates it would collect a total of \$60,164 in fees from analyzed samples, Live Plant Dealer licenses, and other associated fees. Any fiscal effect associated with HB 2563 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Kellen Liebsch, Agriculture
Paul Weisgerber, KBI