

February 19, 2014

The Honorable Ralph Ostmeyer, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Ostmeyer:

SUBJECT: Fiscal Note for SB 384 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 384 is respectfully submitted to your committee.

SB 384 would enact Kansas Explosives Safety Act to be administered by the State Fire Marshal. The bill would:

1. Establish who and what types of material the Act would not apply to;
2. Establish the types of permits required, their expiration period, and who would be required to obtain them, as well as permit fees, and who would be exempt from permit fees;
3. Permit the State Fire Marshal to deny, revoke, suspend, limit, condition, or refuse renewal of any permit if the provisions of the Act are not met; and
4. Allow the State Fire Marshal the authority to establish rules and regulations necessary to implement and administer the provisions of the Act.

If explosives are found to be stored, possessed, or transported in violation of the Act or any State Fire Marshal regulation, the explosive materials may be seized. The owner of the seized explosive materials may request a hearing from the State Fire Marshal. Unless necessary to protect against a substantial threat to the public health, safety, or welfare the explosive materials would not be destroyed until the completion of the available procedures in the Kansas Administrative Procedures Act and the Kansas Judicial Review Act. If the State Fire Marshal finds there has been no violation, the explosives material would be returned to the owner.

When no claimant has appeared within 60 days of the seizure, the agency may destroy the explosive materials. The bill would allow the State Fire Marshal to impose a civil penalty that could not exceed \$1,000 per violation for violations of this Act. Monies from the penalties would be credited to the State General Fund. SB 384 would allow the State Fire Marshal or

authorized representative to destroy the explosive materials if there is an immediate danger to public safety, health, or welfare by applying to the court, which has jurisdiction over the explosive materials, for an emergency order authorizing the destruction or disposal of the explosive materials without liability to the owner.

The bill would allow the State Fire Marshal and authorized representatives to investigate complaints regarding the use of explosive materials or any suspected violations of the Act. All persons subject the provisions in SB 384 would be required to provide the State Fire Marshal or authorized representative free access to any place where explosive materials are manufactured, stored, or used and would allow the agency to examine any records or other information relating to explosive materials. All monies received from permit fees would be credited to the Explosives Regulatory and Training Fund.

The bill would establish the Kansas Explosives Safety Advisory Board and would consist of nine members appointed by the State Fire Marshal. The bill specifies the qualifications for each board member and length of terms. Members of the Board would serve without compensation, but may be reimbursed by the State Fire Marshal for reasonable and necessary expenses. The duties of the Board would include advising the State Fire Marshal in the development of application and registration forms, permits, training, and examinations, and for the filing of required applications, permits, registrations, and reports; make recommendations on any rules and regulations proposed by the State Fire Marshal for the administration of this Act; and advise or assist the State Fire Marshal in any other matter regarding administration or enforcement within the scope and requirements of this Act.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	\$52,100
Expenditure	--	--	--	\$34,170
FTE Pos.	--	--	--	--

The State Fire Marshal indicates if SB 384 were enacted the agency would need \$34,170 from agency fee funds in additional expenditures in FY 2015 to implement the provisions in the bill. Of this amount, \$19,170 would be for salaries and wages to partially fund an existing administrative assistant position to process paperwork, licenses, and permits; \$5,000 for seismograph training for agency investigators; and \$10,000 for two seismographs to be positioned in the state to be used to measure seismic activity. The Division of the Budget notes that the State General Fund would see an increase in revenue because of the new civil penalties that the State Fire Marshal could impose; however, the Division cannot estimate how much revenue that would be because it is not known how many civil penalties the State Fire Marshal would impose. Further, the State Fire Marshal estimates revenues of \$52,100 to the Explosives Regulatory and Training Fund in FY 2015 from the sales of permits and licenses if SB 384 was enacted.

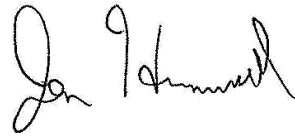
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The Office of Judicial Administration stats that enactment of SB 384 could result in the collection of docket fees and penalties in those cases filed under the provisions of the bill. However, the Office indicates until the courts have had an opportunity to operate under the provisions of SB 384, an accurate fiscal effect on the Judicial Branch cannot be estimated. Any fiscal effect associated with SB 384 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is fluid and cursive, with the first name "Jon" being more prominent than the last name "Hummell".

Jon Hummell,
Interim Director of the Budget

cc: Becky Bahr, Fire Marshal's Office
Mary Rinehart, Judiciary