

February 11, 2021

The Honorable Ken Rahjes, Chairperson
House Committee on Agriculture
Statehouse, Room 149D-S
Topeka, Kansas 66612

Dear Representative Rahjes:

SUBJECT: Fiscal Note for HB 2244 by House Committee on Agriculture

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2244 is respectfully submitted to your committee.

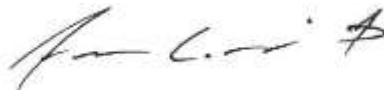
HB 2244 would amend the Commercial Industrial Hemp Act to transfer the duties and responsibilities for registration and regulation of industrial hemp processors that are currently assigned to the Kansas Department of Agriculture (KDA) to the State Fire Marshal. Under the provisions of the bill, the Fire Marshal would be required to create and maintain a registry of all hemp producers in the State of Kansas, with annual fees for registration deposited into the Fire Marshal Fee Fund. Annual registration of these producers would expire on June 30 of each year, with a registration fee, established through rules and regulations by the Fire Marshal, not to exceed \$1,000. The bill would establish the requirements for the registration application form and for criminal history checks for applicants. The agency would carry out the provisions of the bill through rules and regulations and would coordinate with the KDA for the enforcement of any laws or rules or regulations relating to industrial hemp. Disposal of industrial hemp would remain the responsibility of the KDA, and the bill would amend existing law concerning disposal to refer to the federal Controlled Substances Act. The bill would also make technical corrections.

According to the State Fire Marshal, enactment of HB 2244 would result in revenues to the agency of approximately \$12,000 in FY 2022, based on twelve processors and an annual registration fee of \$1,000 each. The agency indicates that administrative, inspection and investigation costs would be paid from that revenue. The Kansas Department of Agriculture indicates that it has not yet implemented a registry of hemp producers; as a result, enactment of

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HB 2244 would have no fiscal effect on agency expenditures or revenues. Any fiscal effect associated with HB 2244 is not reflected in *The FY 2022 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
Jill McCarthy, Office of the Fire Marshal