

March 5, 2012

The Honorable Gary Hayzlett, Chairperson
House Committee on Transportation
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Hayzlett:

SUBJECT: Fiscal Note for HB 2700 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2700 is respectfully submitted to your committee.

HB 2700 would require every armored car service to be licensed and its employees to be registered. The Attorney General would develop an application form, which would include information as defined in the bill. Renewal applications would be required every three years and the processing fee would be \$300 for each request. Application for employee registration would be \$50 with a five-year renewal requirement. Fees would be used for the operation of the program. The Attorney General would establish rules and regulations for the program as defined in the bill.

Every armored car carrier would have to obtain a minimum of \$10.0 million all-risk insurance coverage plus amounts sufficient to cover the value of the cargo. The carrier would also have to have comprehensive general liability insurance coverage of death, personal injury and property damage on \$500,000 per occurrence and \$1.0 million in the aggregate. Proof of insurance must be provided to the Attorney General.

To carry a firearm, guards must have proof of meeting the law enforcement training requirements or have received instruction from a trainer certified by the Attorney General. The bill lists the required information for the application. The processing fee is \$50 in addition to registration. Guards would also wear a "Registered Armored Car Guard" badge.

The Attorney General would certify persons who are qualified to train armored car guards in the handling of firearms and the lawful use of force. The bill provides certification requirements. The application fee would be \$100.

For HB 2700, the Attorney General does not have sufficient data to accurately assess the size of the armored car carrier industry in Kansas, so estimating the cost of conducting criminal

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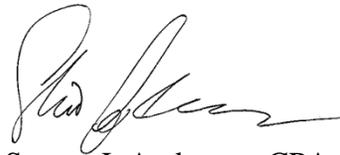
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history background checks, supplying badges for armed guards and other related procedures cannot be done without additional information. Estimating revenue from fees will require the number of armored car companies operating in the state and the number of principals and armed guards employed by those companies. The Attorney General states that \$62,817 from the State General Fund would be needed the first year for 1.00 FTE position and operations and \$44,317 in the second year to set up the program.

HB 2700 provides for a start-up date of July 1, 2012, with a one year window for all qualifying armored car carriers and guards to come into compliance. The Attorney General does not believe that the 2012 start date would be attainable. The agency also notes that the bill has a number of flaws and inconsistencies that would make implementation of the program difficult. Any fiscal effect associated with HB 2700 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

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

cc: Megan Henry, Attorney General's Office