

March 31, 2015

The Honorable Ron Ryckman, Jr., Chairperson
House Committee on Appropriations
Statehouse, Room 111-N
Topeka, Kansas 66612

Dear Representative Ryckman:

SUBJECT: Fiscal Note for HB 2412 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2412 is respectfully submitted to your committee.

HB 2412 would amend any existing law that requires one or more publications of public notices in a newspaper by requiring one publication in a newspaper and publication on an Internet website. For the purposes of the bill, an Internet website is defined as one that is not password protected, is available to the general public, and is provided at no cost. The bill would require notices published on an Internet website to be made available to the general public for at least 180 days, and the content of the notice could not be removed for at least 180 days. On or after July 1, 2018, any public notice that the law requires to be published in a newspaper may be published on an Internet website if the website complies with the requirements of the bill, and in that case, no publication in a newspaper would be required.

The bill would require the Secretary of State, on or after July 1, 2018, to create and maintain an Internet website for the purpose of providing municipalities an Internet location on which to publish public notices. However, the Secretary of State would not be responsible for the posting, accuracy or legal sufficiencies of the notices posted on this website. HB 2412 would amend a number of statutes concerning requirements for publication of public notices to include the option to publish those notices on the Internet. In the case of governing bodies of cities, boards of county commissioners, and boards of education of school districts, the official newspaper in which each body is required by law to publish public notices would also be required to publish those notices on an Internet website and provide to the Secretary of State the location on the Internet of those public notices. The bill would also make a number of technical corrections.

The Kansas Secretary of State estimates that passage of HB 2412 would result in additional expenditures to create and maintain an Internet website. The costs for creation and maintenance of this service would be a new duty for the agency and were not included in its FY 2017 budget. The agency estimates that one-time costs to create the system in FY 2017 would total \$28,800, which includes \$7,000 for a server, \$7,500 for 60 hours of content management application support, \$4,600 for database software, \$1,200 for operating system software, \$2,900

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for VMWare license, and \$5,600 for 160 hours of development costs. Costs for maintaining the website in FY 2018 are estimated to be \$8,109, which includes \$2,208 for Kansas Office of Information Technology Services data access charges, \$3,640 for staff time to maintain the site, and \$2,261 for a three-year maintenance agreement on the VMWare license for one server. The bill does not indicate that the Secretary of State would be allowed to recover the costs of creating and maintaining this system by charging municipalities for its use. As a fee-funded agency, the Secretary of State indicates that it would not have additional resources available to cover those costs and thus, beginning in FY 2017, it would need ongoing appropriations from the State General Fund to support the system.

According to the agency, external access to the website would be necessary to allow municipalities to self-serve their postings. To prevent access to the Secretary of State's main site, extensive security provisions would be required. In order to achieve this level of security, each municipality would be required to have a secure token-based access credential/key along with a user name and password. Revenue from the purchase of the credentials or keys would be passed through the Secretary of State's office to the Kansas Office of Information Technology Services. Currently, there are 105 counties, 626 cities, 1,404 townships and 286 school districts in Kansas, and the cost of a secure token-based access credential/key is \$40. Given that there may be some increase to this cost by FY 2018, the revenue generated from sale of the credential/key could exceed \$120,000 (2,421 municipalities X \$50 = \$121,050).

According to the League of Kansas Municipalities, passage of HB 2412 would, in time, reduce the costs incurred by municipalities for publication of public notices in official newspapers. The League is unable to estimate the extent of that reduction, however, without knowing how many cities would use the Secretary of State's website or if any charge would be associated with that use. The Kansas Association of Counties assumes that there would be a charge associated with using the Secretary of State's website, so there would be no cost savings to the counties as the amount each county pays to the newspaper would then be paid to the Secretary of State. Any fiscal effect associated with HB 2412 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Melissa Wangemann, Association of Counties
Larry Baer, League of Municipalities
Desiree Taliaferro, Secretary of State's Office