

January 14, 2016

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 2443 by Representative Claeys

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2443 is respectfully submitted to your committee.

HB 2443 would establish the Office of Unmanned Aircraft Systems (UAS) Development. The Office would be located within the Department of Transportation. The Department would provide facilities and administrative support.

The Office would be headed by a director who would be appointed by the Governor and subject to confirmation by the Senate. The purpose of the Office would be to create, coordinate, facilitate and provide direction for strategies to develop and support UAS industry and employment in Kansas. The director would be required to submit an initial report to the Legislature on January 9, 2017 that includes a plan for the development of UAS industry in Kansas and any suggested changes to statutes or rules and regulations to facilitate the plan. Annual reports to the Legislature would be required beginning in 2018.

The director could accept funds from the federal government or any other source for research studies, investigation, planning, programs and any other purposes related to the functions of the Office. All funds would be credited to the Office of UAS Development Fund which would be created by the bill. Subject to appropriations, the director could hire professional staff and employees as necessary to carry out the provisions of HB 2443. Also, the director could appoint one public information officer, one chief attorney, one personal secretary and one technical assistant with expertise in UAS.

An advisory committee could be established to provide advice to the director. All members would be appointed by the director and receive amounts for subsistence allowances, mileage and other expenses.

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If it is assumed that all expenditures associated with the Office of UAS Development would be offset by revenues credited to the Office of UAS Development Fund, then passage of HB 2443 would have a neutral fiscal effect. Because various estimates and assumptions can be made regarding the potential size of the Office and its budget, this fiscal note refrains from making specific dollar estimates of the fiscal effect of the bill.

The Kansas Department of Transportation (KDOT) indicates that there would be no fiscal effect on the agency and that the bill could be implemented with current staffing. KDOT assumes that the Office of UAS Development would have a separate budget and be responsible for its own operating expenditures. The Department also assumes that the agency would be reimbursed for any KDOT administrative support of Office activities. It is assumed that administrative support would take the form of personnel services, information technology support, and fiscal services. Any fiscal effect associated with HB 2443 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Ben Cleeves, Transportation