

January 29, 2020

The Honorable Rick Wilborn, Chairperson
Senate Committee on Judiciary
Statehouse, Room 541C-E
Topeka, Kansas 66612

Dear Senator Wilborn:

SUBJECT: Fiscal Note for SB 293 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 293 is respectfully submitted to your committee.

SB 293 would transfer all rules and regulations, orders, directives, and standards of the Secretary of State related to the Charitable Organizations and Solicitations Act that are in effect on June 30, 2020, to the Attorney General. The bill would increase the registration fee that all charitable organizations pay from \$20 to \$25. Current law does not require a registration fee for a professional solicitor's license. SB 293 would now require a registration fee of \$25 for the license. SB 293 would transfer all reciprocal agreements related to the Charitable Organizations and Solicitation Act from the Secretary of State to the Attorney General on June 30, 2020. SB 293 would also create the Charitable Organizations Fee Fund within the Attorney General's Office.

Current law states that if the Attorney General, Secretary of State, or a district or county attorney have started prosecution for an election crime, that any of those agencies can assist in the prosecution but not start a separate prosecution. Under SB 293, the Secretary of State must notify the Attorney General and the appropriate county or district attorney when it becomes aware of evidence of an election crime. Upon request of those agencies, the Secretary of State would be required to cooperate and provide assistance in the investigation or prosecution.

Currently, the Secretary of State is responsible for address confidentiality for victims of certain crimes. This responsibility would be transferred to the Attorney General, including all rules and regulations, orders, directives, and standards starting on June 30, 2020. The bill would allow the Secretary of State to request from the Attorney General the confidential address for election purposes.

According to the Secretary of State, in FY 2019 there were 4,059 charitable organization registrations and each was charged \$20 that was deposited into the State General Fund and \$15 that was an administrative fee collected by the Secretary of State. Therefore, enactment of SB 293

would reduce the State General Fund revenues by \$81,180 because SB 293 requires the registration fee to be deposited into the Attorney General's Charitable Organizations Fee Fund. The administrative fee of \$15 would no longer be collected and would result in a \$60,885 reduction to the Secretary of States fee fund revenues. The bill would also increase the registration fee to \$25 and therefore the Attorney General would receive \$101,475 into the newly created fee fund.

The Secretary of State also states that there were 1,260 fundraiser and solicitor registrations in FY 2019. The Secretary of State would no longer receive the revenues because the bill requires the Attorney General to collect the funds and deposit the revenues into the newly created fund. With the registration fee set at \$25 by the bill, the Attorney General would receive \$31,500.

The Attorney General states that the revenues of \$132,975 created by the bill would be used to manage the registration program as well as any expenses associated with the enforcement of the Charitable Organizations and Solicitations Act. The Attorney General would require 1.00 FTE position to manage this program at a cost of \$92,810. Of that amount, \$74,344 would be for salary and wage expenditures and \$15,627 would be for office rent, furnishings, computer equipment, and other supplies, including one-time startup expenses. The Attorney General would use the remaining \$40,165 in revenues to increase public awareness and education regarding fraudulent charities and the requirements of the Charitable Organizations and Solicitations Act or to offset a portion of the salary and wage expenditures of investigators and attorneys who currently investigate and enforce violations of the Charitable Organizations and Solicitations Act, which is currently subsidized by other funds within the agency.

The Secretary of State states that it currently has approximately a 0.80 FTE position that performs the registration duties. However, if SB 293 is enacted the position would be repurposed within the agency.

According to the Secretary of State, the current expenditures to operate the address confidentiality program, or Safe Home program, are approximately \$5,000 per year. This amount is for the cost to rent a post office box and postage expenditures. The expenditures to operate this program would be reduced by \$5,000 for the Secretary of State and increased by \$5,000 for the Attorney General. If SB 293 were enacted, the Safe at Home program would become part of the Attorney General's existing Victims Services Division and any additional associated expenses would be absorbed within existing resources.

Finally, the Attorney General and the Secretary of State currently have a memorandum of understanding regarding the investigation and prosecution of election crimes. Therefore, the Attorney General states that any related expenditures could be absorbed within current resources and the Secretary of State states there would be no fiscal effect. Any fiscal effect associated with SB 293 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell", is written over a light blue horizontal line.

The Honorable Rick Wilborn, Chairperson
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Larry L. Campbell
Director of the Budget

cc: Willie Prescott, Office of the Attorney General
Sandy Tompkins, Office of the Secretary of State