

January 30, 2020

The Honorable Robert Olson, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 303 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 303 is respectfully submitted to your committee.

SB 303 would allow the Insurance Commissioner to require employees or contractors who collect, maintain, or access confidential information to be fingerprinted and also have a state and national background check conducted prior to being hired or continued work. Fingerprints would be submitted to the Kansas Bureau of Investigation and the Federal Bureau of Investigation for the background checks. The bill would require state and local law enforcement agencies to assist in taking and processing fingerprints. Local law enforcement agencies could charge a fee for incurred expenses that would be reimbursed by the Insurance Commissioner.

The Kansas Insurance Department states that enactment of SB 303 would increase expenditures from the Insurance Department Service Regulation Fee Fund in FY 2021 by \$5,300. The Department currently has 103 employees and three financial contractors that would need to be fingerprinted at a cost of \$50 for each fingerprint. The expense for fingerprints would be ongoing as new employees or contractors are hired. The agency states that the additional expenditures could be absorbed within existing resources.

The Kansas Association of Counties and the League of Kansas Municipalities both state that the bill would not have a fiscal effect because the bill would allow local law enforcement agencies to be reimbursed by the Insurance Commissioner.

The Kansas Bureau of Investigation states that the enactment of SB 303 would negligibly increase its revenues FY 2021 and any associated revenues would go towards operating costs to fulfill the requirements of the bill. Any fiscal effect associated with SB 303 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is written in a cursive style with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Bobbi Mariani, Insurance
Paul Weisgerber, KBI
Trey Cocking, League of Municipalities
Jay Hall, Association of Counties