

January 30, 2017

The Honorable Kyle Hoffman, Chairperson
House Committee on Agriculture
Statehouse, Room 481-W
Topeka, Kansas 66612

Dear Representative Hoffman:

SUBJECT: Fiscal Note for HB 2135 by House Committee on Agriculture

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2135 is respectfully submitted to your committee.

Current law establishes fees for a statewide system of milk manufacturing, distributing, hauling, receiving, dairy container manufacturing, and milk tank truck cleaning facility inspection and regulatory services. The authority to collect these fees has a sunset date of June 30, 2018. HB 2135 would extend that authority through June 30, 2028. Current law directs the Secretary of the Kansas Department of Agriculture (KDA) to reduce any of these fees if the receipts exceed the amount necessary to administer statutory requirements. HB 2135 would give the Secretary the option to reduce the amount of a fee, and if after reducing the fee sufficient revenues are no longer being produced, increase the fee. In addition to the current statutory powers and duties conferred on the Secretary, the bill would add the ability to charge and collect fees for administration and processing of paper documents, including applications, registrations, permits, licenses, certifications, renewals, reports, and remittance of fees. These fees would be in addition to any other fee the Secretary is authorized to charge and could not exceed \$50.

According to the KDA, passage of HB 2135 would result in increased revenue from the implementation of paper processing fees. However, the agency indicates that due to the variables connected with the number and types of paper documents it processes, it is unable to estimate what that increase might amount to. The agency also states that a failure to extend the fee sunsets included in the bill would result in a loss of approximately \$278,000 in fee fund revenues annually, assuming the FY 2019 license counts remained stable. Any fiscal effect associated with HB 2135 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Justin Law, Agriculture