

SESSION OF 2010

SUPPLEMENTAL NOTE ON SENATE BILL NO. 570

As Amended by Senate Committee on
Ways and Means

Brief*

SB 570 would establish a new fund called the Lodging Inspection Fee Fund and amend existing law to increase the license and application fees for the Kansas Department of Agriculture's (KDA) Lodging Inspection program. The bill would repeal KSA 36-512, which directs all fees collected through the Lodging Inspection program to be deposited into the State General Fund. The license fees received by the KDA for the Lodging Inspection program would be deposited into the Lodging Inspection Fee Fund.

The license fee to conduct a lodging establishment under 10 rooms would increase from \$30 to \$80 per calendar year. For lodging establishments containing 10 or more rooms, the fee would increase from \$35 to \$100, and for every additional 10 rooms in the lodging establishment, there would be an additional charge of \$20 added to the \$100 fee. The application fee for a license for all new or newly constructed lodging establishments, or those with a change in ownership would increase from \$100 to \$200. The cost of the application fee would be in addition to the license fee discussed above. In addition, the cost of a duplicate copy of a license would increase from \$3 to \$5.

SB 570 also would amend existing law to require the KDA to inspect a facility upon receiving a complaint that a facility is not complying with the standards approved by the KDA through its rules and regulations.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill also would require that money usually deposited in the Food Inspection Reimbursement Fund and Food Inspection Fee Fund for the KDA's Food Safety Inspection program would be deposited into the Food Safety Fee Fund. The bill would then abolish the Food Inspection Reimbursement Fund and Food Inspection Fee Fund.

Background

SB 570 was introduced as the request of the Senate Committee on Ways and Means Subcommittee on the Kansas Department of Agriculture (KDA) budget. The KDA provided testimony in favor of the bill, stating that the fee increases would allow the KDA to inspect newly licensed lodging establishments and to inspect lodging establishments about which the KDA receives complaints. In addition, the KDA testified that the fee increases would allow the agency to conduct routine inspections of all lodging establishments in the state every two to three years. The Kansas Restaurant and Hospitality Association also provided testimony in favor of the bill, stating that the public's perception that the state is inspecting lodging establishments is important and that the association's members support a fee increase to continue the KDA's Lodging Inspection program.

The Senate Committee on Ways and Means amended the original bill to allow the words "or cause to be inspected" to remain in the bill, in order to allow the KDA to work with local governments on lodging inspections.

The fiscal note on the original bill as provided by the Division of the Budget indicates the increased license and application fees would generate \$155,000 in revenue and require 2.0 FTE positions to implement the provisions of the bill. In addition, the State General Fund would receive \$55,000 less revenue, as current license and application fees are deposited in the State General Fund, which would cease with the provisions of the bill.