

February 9, 2012

The Honorable Anthony Brown, Chairperson
House Committee on Commerce and Economic Development
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Brown:

SUBJECT: Fiscal Note for HB 2554 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2554 is respectfully submitted to your committee.

HB 2554 would create the Kansas Roofing Registration Act. The bill would require that the Attorney General develop rules, regulations, applications, and approval and suspension procedures for certification of professional roofers. Renewal of the certification would be required every two years. The certification and renewal fee could be no more than \$500. Any person who fails to obtain a valid registration certificate or acts as a roofing contractor while his or her registration is suspended or revoked would be liable for a civil penalty of not more than \$10,000 per violation. After a suspension, the first certification renewal fee would double in cost and be charged along with a reinstatement fee. Late fees could be no more than \$300 and change of name or address fees could be no more than \$25. All money received from fees, charges or penalties would go to the Attorney General for administration of the program. The bill includes provisions for handling complaints, appeals, investigations, examinations and other procedures.

The Attorney General states that HB 2554 would require two new FTE positions to support the necessary research, internet searches, monitoring, investigative and enforcement actions. The initial cost would be \$150,000 to set up the website, create new forms and develop procedures. The annual cost of the two positions would be \$116,000. There are approximately 700 roofing business in Kansas, and the number of non-resident roofers performing work in Kansas is unknown. To cover the cost of the program, the Attorney General would need to charge a fee to cover start-up and ongoing costs. A fee of \$300 would generate \$210,000 based on 700 roofers.

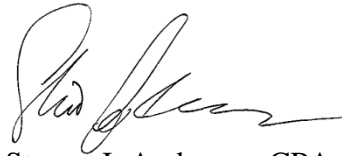
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The Office of Judicial Administration notes that, if implemented, HB 2554 would have no fiscal effect on the Judiciary. Any fiscal effect associated with HB 2554 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Megan Henry, Attorney General's Office
Mary Rinehart, Judiciary