

March 9, 2011

The Honorable Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator McGinn:

SUBJECT: Fiscal Note for SB 229 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 229 is respectfully submitted to your committee.

Current law provides for the deposit of 20.0 percent of certain fee revenue up to a maximum of \$200,000 to the State General Fund. This deposit of money to the State General Fund was established by the Legislature in order to provide a means of covering the costs to provide accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any and all other state governmental services performed on behalf of the state agencies administering the fee funds. SB 229 would alter this provision for a number of fee funds in the state treasury. First, in FY 2012, the rate going to the State General Fund would be reduced by one-half to 10.0 percent of fee revenue up to a maximum of \$100,000. Then in FY 2013 and all future years, no fee revenue would be deposited in the State General Fund.

In addition, the bill provides that any fines imposed by the Real Estate Commission would be split between the agency for its actual costs related to the case resulting in fines and the balance going to the State General Fund. Currently, all fine settlements are deposited in the State General Fund.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	(\$1,723,549)	--
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

Using revenue projections for the funds affected by the bill, SB 229 would reduce projected State General Fund revenues by \$1.7 million in FY 2012 and by \$3.4 million in FY 2013 and future years. The revenues would instead be deposited in the special revenue funds.

The Honorable Carolyn McGinn, Chairperson

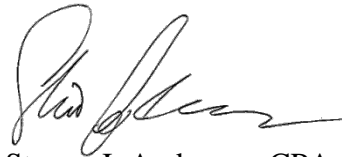
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An attachment to this fiscal note details the effect on each fund and the loss to the State General Fund for FY 2012.

SB 229 would not necessarily have an effect on agency expenditures from the special revenue funds gaining the additional income. Although the funds would have additional resources made available, the agencies would have to request expenditure authority through the budget process. In the alternative, the agencies could choose to reduce their fees so that the same amount of revenue is generated as under current law. Approximately \$1.7 million in State General Fund expenditure reductions would be needed to offset the reduction in available revenue in FY 2012 and \$3.4 million in expenditure reductions would be needed in FY 2013 and beyond to make up the reduction in revenues to the State General Fund. Any fiscal effect associated with SB 229 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

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