

February 6, 2012

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 337 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 337 is respectfully submitted to your committee.

SB 337 would authorize the Adjutant General to charge fees for conducting vulnerability assessments of critical infrastructure. The fees would be assessed to recover all or part of the direct and indirect operating expenses for conducting the assessment. The bill would also allow the agency to charge for hazardous materials possessed, sold, distributed, or manufactured in Kansas. The fee would be assessed to recover the costs incurred by the Adjutant General for emergency management and homeland security. The monies received from the two fees would be deposited in the newly created Kansas Emergency Management and Homeland Security Fund, and would be used to finance operating expenditures of the Adjutant General related to emergency management and homeland security. The Adjutant General would be authorized to adopt rules and regulations necessary to implement the provisions of the bill.

The Adjutant General indicates that it currently does not conduct vulnerability assessments of critical infrastructure and does not have information on how many assessments would be conducted or how much each assessment would cost. Nor does the agency charge for hazardous materials possessed, sold, distributed, or manufactured in Kansas. The agency does not have information on the extent that hazardous materials are possessed, sold, distributed, or manufactured in Kansas to provide a reliable estimate of the additional fee revenue that would be generated. Therefore, a precise estimate of the amount of additional fee revenue as a result of SB 337 cannot be estimated. However, the Adjutant General indicates that it would set and collect the fees to allow the program expenditures to be self-sustaining and that no state funds would be required to subsidize these programs. Any fiscal effect associated with SB 337 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



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

cc: Cheri Froetschner, Adjutant General's Office