

SESSION OF 2017

SUPPLEMENTAL NOTE ON SENATE BILL NO. 76

As Amended by Senate Committee on Federal
and State Affairs

Brief*

SB 76 would require all state licensing authorities to waive occupational fees and fees from licensing requirements for low-income individuals and military families.

Any person seeking a waiver would have to apply to the appropriate licensing authority in a format prescribed by the licensing authority. The licensing authority would be required to process such application within 30 days of receiving it from the applicant.

Licensing authorities would be required to adopt and publicly maintain all rules necessary to implement the provisions of the bill.

Background

The bill was introduced in the Senate Committee on Federal and State Affairs at the request of Senator LaTurner. In the Senate Committee hearing, Senator Faust-Goudeau, as well as representatives from the Kansas Chamber of Commerce, the Department for Children and Families, and the Foundation for Government Accountability appeared in support of the bill. Written-only proponent testimony was provided by the Adjutant General and the Kansas Policy Institute.

Representatives of the Emergency Management Services (EMS) Board and the National Guard Association

*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>

appeared as neutral on the bill. Written-only neutral testimony was provided by the Home Builders Association of Greater Kansas City.

Representatives of Emporia State University; Kansas Board of Cosmetology; Kansas Board of Pharmacy; Kansas National Education Association; Kansas School Superintendents Association; Kansas State Board of Healing Arts; Kansas State Board of Technical Professions; Kansas State Department of Education; League of Kansas Municipalities; Kansas Association of Counties; Miami County, Kansas; and United School Administrators of Kansas and one private citizen appeared as opponents of the bill. Written-only opponent testimony was provided by the Associated General Contractors, Kansas City Chapter; The Builders' Association; the cities of El Dorado, Manhattan, Olathe, Overland Park, and Shawnee; Federation of State Massage Therapy Boards; Johnson County Board of County Commissioners; Kansas Association of Chiefs of Police; Kansas Commission on Peace Officers Standards; Kansas Peace Officers Association; Kansas Sheriffs Association; and Kansas State Board of Examiners in Optometry.

The Senate Committee amended the bill to remove provisions related to local government occupational fees or licensing requirements.

According to the fiscal note prepared by the Division of the Budget, the fiscal effect of the bill, as introduced, could range from negligible to significant, depending upon the agency. Some state agencies report more staff would be needed to comply with the bill, with corresponding expenditures.

The Office of the Securities Commissioner (Office) notes that issuing licenses to all applicants who are licensed in another state could circumvent current state standards. The Office also indicates that other states may have less stringent requirements than those in Kansas. Using less stringent requirements may put consumers at risk and, in the case of

the Office, subject them to poor financial advisers that may lose consumers' money and, in turn, reduce taxable income.

Most agencies note the bill would decrease revenues in some way. However, many agencies cannot estimate how much revenue will be lost because they cannot estimate the number of "low-income" and "military families" they license. Some agencies indicate that many new licensees are recent college graduates and, since recent graduates typically have a lower income, those individuals may be eligible to have the licensing fee waived. The Division of the Budget estimates that many agencies will experience the same circumstances in regards to new licensees being recent college graduates. It should also be noted that some agencies may already waive fees for "military families," including the Dental Board, which currently waives fees for active duty military members and their spouses.

According to the fiscal note, it should also be noted that reducing revenue from licensing fees would also reduce transfers into the State General Fund (SGF). Under current law, 10.0 percent of all licensing fees are transferred to the SGF. Since it is estimated the bill will reduce fee revenues from nearly all 20 regulatory boards and commissions, it is reasonable to assume transfers to the SGF would decrease as well. However, it is not possible to estimate the fiscal effect of the bill, as it is not possible to estimate how much fee revenue would be reduced. The Division of the Budget notes the Board of Healing Arts estimates fees collected by the agency may decrease by 10.0 percent to 40.0 percent if the bill is enacted.

The League of Kansas Municipalities notes the bill would cap fees charged by local governments at \$25. Capping fees may reduce revenues for municipalities if the fee that is currently charged is higher than \$25. The Kansas Association of Counties notes that reducing fees to \$25 may make the cost of regulating a profession higher than what is collected in fees. As a result, counties may increase other taxes to make up for shortfall or forgo regulating certain

professions altogether. [Note: The Senate Committee removed provisions related to fees charged by local governments.]

Any fiscal effect associated with the bill is not reflected in *The FY 2018 Governor's Budget Report*.