

January 27, 2021

The Honorable Ron Highland, Chairperson
House Committee on Water
Statehouse, Room 458A-W
Topeka, Kansas 66612

Dear Representative Highland:

SUBJECT: Fiscal Note for HB 2005 by Representative Highland

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2005 is respectfully submitted to your committee.

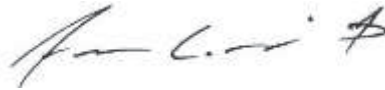
Under current law, a hot water supply boiler with a nominal water capacity of 85 gallons or more, or 120 gallons for an electrical utility generating plant, directly fired with oil, gas, electricity or solar energy and equipped with pressure and temperature safety relief valves approved by the American Society of Mechanical Engineers or the National Board of Boiler and Pressure Vessel Inspectors is exempt from the provisions of the Kansas Boiler Safety Act. HB 2005 would exempt boilers with a nominal water capacity of 120 gallons and would remove the requirement that the 120-gallon boilers be exempt only if part of electrical utility generating plants.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	(\$3,290)	(\$80,430)	(\$3,290)	(\$80,430)
Expenditure	--	(\$81,500)	--	(\$81,500)
FTE Pos.	--	(1.00)	--	(1.00)

The Office of the State Fire Marshal indicates that enactment of HB 2005 would decrease expenditures by \$81,500 in FY 2021 and FY 2022 because the agency would eliminate 1.00 Inspector FTE position due to decreased workload. The expenditure reduction would also be the result of decreased information technology services, equipment, and travel related to the position. The agency estimates the bill would reduce the number of inspections it conducts by 660 annually.

The agency notes that there are approximately 4,800 boiler units that have a capacity lower than 120 gallons, which are inspected on a three-year cycle. The Office of the State Fire Marshal inspects approximately 2,000 of these units, with the remainder being inspected by insurance companies. Certification fees are collected for each unit, which are deposited into the Boiler Inspection Fee Fund. In addition, inspection fees are collected, 10.0 percent of which are deposited into the State General Fund with the remainder going to the Boiler Inspection Fee Fund. Based on current data, the agency estimates the bill would reduce revenues to its Boiler Inspection Fee Fund by approximately \$77,140 and to the State General Fund by approximately \$3,290 in FY 2021 and FY 2022. Any fiscal effect associated with HB 2005 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Jill McCarthy, Office of the Fire Marshal