

SESSION OF 2011

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2282

As Amended by House Committee on
Agriculture and Natural Resources

Brief*

HB 2282 would amend legislation on the licensure and inspection of lodging establishments. The bill would consolidate the Food Service Inspection Reimbursement Fund and the Food Inspection Fee Fund into the Food Safety Fee Fund, as well as establish the Lodging Fee Fund, with both funds being administered by the Food Safety and Lodging program in the Kansas Department of Agriculture (KDA). Inspection of lodging establishments would occur upon the application for a new license or the filing of a customer complaint with KDA. The bill would raise the rates on license and application fees and establish new maximum fee levels as follows:

- Duplicate license fees would increase from \$3 to \$5;
- Maximum application fees would increase from \$100 to \$200; and
- The license fee for an establishment with more than ten sleeping rooms would be \$40 and increase by \$10 for every ten additional sleeping rooms. The maximum license fee would not exceed \$300. Current law sets the license fee for establishments with ten or more sleeping rooms at \$35 and an additional \$5 for each additional ten sleeping rooms, with no maximum fee.

*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>

Background

The Deputy Secretary of the Department of Agriculture testified in favor of the bill, stating that the creation of the Lodging Inspection Fee Fund would allow for the inspection of lodging establishments on a more frequent basis. KDA had previously suspended its inspection program due to budget constraints.

Neutral testimony by the Kansas Restaurant and Hospitality Association indicated that, while the industry typically opposes higher fees and increased government regulation, the suspension of the inspection program had been detrimental to Kansas lodging establishments by creating anxiety with potential customers.

The Committee amended the bill to explicitly establish the Lodging Fee Fund in statute. The fund was initially created by proviso in the 2010 appropriations bill. Further technical amendments corrected minor errors and made language pertaining to lodging establishments more consistent.

The fiscal note prepared by the Division of the Budget on the initial bill indicates that fee fund revenue and expenditures would both increase by \$50,000 in FY 2011 under the bill, thus having no net fiscal impact on the state. Fee fund revenues and expenditures would both increase by \$75,000 and 1.0 FTE positions would be added in FY 2012. The bill would have no effect on the State General Fund.