

January 31, 2013

The Honorable Sharon Schwartz, Chairperson
House Committee on Agriculture and Natural Resources
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Schwartz:

SUBJECT: Fiscal Note for HB 2050 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2050 is respectfully submitted to your committee.

HB 2050 would make several changes to registration fees and liability insurance coverage at the Kansas Department of Agriculture. Changes to current law would be as follows:

1. Remove an exemption currently in place that allows alternate brand-named pesticide products to be registered free of charge with the Department;
2. Require that those licensed or registered by the Department to show proof of insurance and financial liability for any surety bonds, letters of credit, and escrow accounts; and
3. Repeal the Agricultural Liming Materials Act. This act, passed in 2009, regulates the sale of products containing calcium and magnesium that are used to neutralize soil acidity.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	\$21,750
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

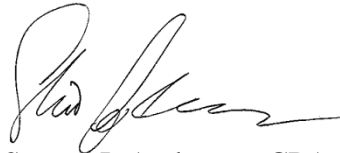
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The Department of Agriculture estimates that passage of HB 2050 would increase fee fund revenue by \$21,750 in FY 2014. First, vendors for approximately 900 alternately-labeled pesticide products would pay a total of \$45,000 in registration fees. Second, the Department estimates a fee revenue loss of \$23,250 should the Agricultural Liming Act be repealed. Third, the insurance liability change in the bill would have no fiscal effect. The Department would therefore show a net revenue increase of \$21,750 in FY 2014. The Department further states that passage of the bill would have no fiscal effect on local governments. Any fiscal effect associated with HB 2050 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

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

cc: Mark Heim, Agriculture