

June 17, 2013

The Honorable Marvin Kleeb, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Kleeb:

SUBJECT: Fiscal Note for HB 2414 by House Committee on Appropriations

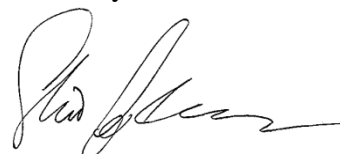
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2414 is respectfully submitted to your committee.

HB 2414 would require the Office of the Secretary of State to establish and maintain a central filing system for security interests relating to farm products, including the development of rules and regulations in accordance with Section 1324 of the Food Security Act of 1985 and Title 9 of the Code of Federal Regulations, Sections 205.1 through 205.214. The bill outlines specifications and definitions related to the central filing system and would require the Secretary, or the Secretary's designee to be the system operator. The Office would be required to apply to the United States Department of Agriculture for certification of the central filing system and approval of the system or method of selecting an approved unique identifier, which is defined as a number, combination of numbers and letters or other identifier selected by the Secretary and approved by the Secretary of the United States Department of Agriculture. The Secretary of State would be authorized to assess a registration and annual distribution fee to each buyer, commission merchant, and selling agent of farm products. The bill would create the Central Security Interest Filing Fee Fund to which all fees would be deposited. The system would be required to be implemented by January 1, 2015.

HB 2414 would also amend current statutes to make subject to security interest, any buyer of farm products from a person engaged in farming operations, in addition to other technical amendments.

A request to provide fiscal effect information has been sent to the Office of the Secretary of State and we are awaiting a response. As soon as the necessary information is received, a revised fiscal note will be submitted.

Sincerely,



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

cc: Courtney Canfield, Secretary of State's Office