

February 18, 2014

The Honorable Kyle Hoffman, Chairperson
House Committee on Agriculture and Natural Resources Budget
Statehouse, Room 481-W
Topeka, Kansas 66612

Dear Representative Hoffman:

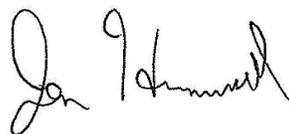
SUBJECT: Fiscal Note for HB 2545 by House Committee on Agriculture and Natural Resources Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2545 is respectfully submitted to your committee.

HB 2545 would extend the sunset date on certain Department of Agriculture fee funds from July 1, 2015 to July 1, 2019. The three fees affected by the bill are in the following programs: Dairy, Pesticide, and Water Appropriations. The bill would also clarify that dairy operations producing and processing milk on a farm are exempt from paying raw milk processing fees. The current statute related to milk processing was established prior to the development of on-farm processing facilities.

The Department of Agriculture indicates that passage of the bill would have no fiscal effect in either FY 2014 or FY 2015. The Department estimates that beginning in FY 2016, fee revenue would decrease by \$771,709 if the sunset dates are not extended.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Mark Heim, Agriculture