

SESSION OF 2011

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2368

As Amended by House Committee on
Appropriations

Brief*

HB 2368 would repeal the provision of current law which provides for the deposit of 20.0 percent of certain fee revenue up to a maximum of \$200,000 to the State General Fund for many fee funds in the state treasury.

Background

This deposit of money to the State General Fund was established by the Legislature in order to provide a means of covering the costs to provide accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any and all other state governmental services performed on behalf of the state agencies.

Based on the actual revenue received by the fee agencies in FY 2010, the bill would reduce State General Fund Revenue in FY 2012 by \$3.38 million and these funds would remain with the agencies. The bill would not necessarily have an effect on agency expenditures from the special revenue funds. The agencies would have to request additional expenditure authority through the budget process to utilize the funds.

Proponents of HB 2368 included representatives of the Kansas Veterinary Medical Association; Kansas Association of Realtors; Kansas Banker's Association and Kansas Real Estate Commission. No opponents to the bill testified to the

*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>

Committee.

The bill as introduced would authorize any state agency, board or commission to enter into contracts with the Department of Administration, another state agency, or a private vendor for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any other services that currently are provided by other state agencies or on behalf of the state agency which receives appropriations from the State General Fund to provide such services. The House Committee deleted the new provision on page 2 in lines 11 through 17. The Committee heard that state agencies already have the authority to utilize private vendors for these services and the language served to confuse rather than clarify this authority.

The House Committee made three technical amendments: on page 8 in lines 5 and 6 by deleting a reference to KSA 75-3170(a); on page 9 in lines 26 and 27 by deleting the need to transfer the credit union fees through the State General Fund; and on page 15 in line 37 by deleting the requirement to deposit the veterinary examiners fees in the State General Fund, rather than the fee fund.

The fiscal note for HB 2368, as introduced, indicated that the fiscal impact of the removal of the 20.0 percent provisions would be \$3.48 million in FY 2012, rather than \$3.38 million. This fiscal note assumption included the transfer of \$100,000 from the Petroleum Inspection Fee Fund which is not subject to KSA 75-3715(a).