

March 8, 2024

The Honorable Will Carpenter, Chairperson
House Committee on Federal and State Affairs
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Carpenter:

SUBJECT: Fiscal Note for HB 2818 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2818 is respectfully submitted to your committee.

HB 2818 would provide for a legislative review process and criteria when the Legislature considers bills that propose new or additional occupational regulations that were not regulated prior to July 1, 2024. All bills introduced in the Legislature proposing to regulate an occupation or profession not previously regulated by law would be required to be reviewed by the Legislature. An occupation or profession not previously regulated by law could not be regulated by the state unless the Legislature determines that: (1) the unregulated practice could cause harm and endanger the general welfare, and the potential for further harm and endangerment is recognizable and significant; (2) the public can reasonably be expected to benefit significantly from an assurance of personal qualifications; and (3) the general welfare cannot be sufficiently protected by any other means.

If the Legislature would determine that the state has a strong interest in regulating an occupation or profession not previously regulated by law, the most efficient form of regulation would be implemented consistent with the need to protect the general welfare, as follows: (1) if the threat to the general welfare resulting from the practitioner's services is easily predictable, the regulation shall implement a system of insurance, bonding or registration; (2) if the consumer has challenges accessing credentialing information or possesses significantly less information on how to report abuses such that the practitioner puts the consumer in a disadvantageous position relative to the practitioner to judge the quality of the practitioner's services, the regulation would implement a system of certification; and (3) if other regulatory structures, such as bonding, insurance, registration or certification insufficiently protect the general welfare from recognizable harm, the regulation would implement a system of licensing.

During each regular or special session of the Legislature, the Joint Committee on Administrative Rules and Regulations would be required to review bills introduced in the

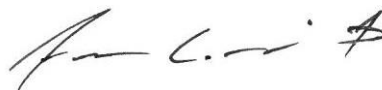
Legislature that pertain to the regulation of a profession or occupation, with certain exceptions outlined in the bill. The bill states that there would be no requirement for bills to be referred to the Joint Committee on Administrative Rules and Regulations for a review. The Joint Committee on Administrative Rules and Regulations would have authority to consider and make determinations and communicate with regulatory bodies on behalf of the Legislature.

If the Joint Committee on Administrative Rules and Regulations would determine that a bill proposes stronger or additional regulation of a profession or occupation currently regulated by a regulatory body, or proposes regulation of an industry or occupation that is not currently regulated but is within the scope of expertise of a regulatory body, the Joint Committee on Administrative Rules and Regulations would notify the relevant regulatory body of the bill introduction. Within ten business days after notification, the relevant regulatory body or bodies would prepare a report on the bill. All state agencies would be required to cooperate with a regulatory body or bodies in the preparation of a report when and to the extent requested by a regulatory body preparing such report. The bill would outline the recipients and requirements of the report.

If the Joint Committee on Administrative Rules and Regulations would determine that a bill proposes new regulation of a profession or occupation that is not regulated in this state and further determines that no existing regulatory body regulates or has the expertise to regulate such occupation or profession, then the committee may contract with consultants, experts or professionals in the applicable field or with appropriate faculty of Kansas institutions of higher learning to prepare and make available to the Legislature a report on the findings. The bill would outline the recipients and requirements of the report. The contract would require that the report be provided within ten business days after the contract's execution. The Director of Legislative Administrative Services would be required to administer the contract. The contract may be approved by the chairperson or vice chairperson of the Legislative Coordinating Council, which may be given while the Legislature is in session.

Legislative Administrative Services (LAS) indicates that the enactment of the bill would not have a fiscal effect on either budgets of the Legislature or the Legislative Coordinating Council, unless the Joint Committee on Administrative Rules and Regulations determines that a contract with consultants would be needed. LAS indicates that any fiscal effect resulting from potential contracts with consultants or appropriate faculty of Kansas institutions of high learning cannot be estimated. Any fiscal effect associated with HB 2818 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget