

February 16, 2024

The Honorable Sean Tarwater, Chairperson  
House Committee on Commerce, Labor and Economic Development  
300 SW 10th Avenue, Room 346-S  
Topeka, Kansas 66612

Dear Representative Tarwater:

**SUBJECT:** Fiscal Note for HB 2745 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2745 is respectfully submitted to your committee.

HB 2745 would amend occupational licensing requirements. The bill would require that an application by a military spouse of an active military servicemember be considered a complete application without the submission of fees. Those individuals would also be exempt from all fees assessed by a licensing body including application, licensing, registration, certification, or permit fees. All licensing bodies would be required to adopt rules and regulations to implement these provisions.

The Board of Barbering states that the bill would decrease revenues for licensure fees and examination fees. However, the reduction cannot be estimated. The ability to track military spouses' marital status and the service members' discharge classification would be impossible with the agency's current resources. Even if an initial license is provided, the knowledge of ongoing marital status would not be verifiable across all jurisdictions.

The Board of Pharmacy currently has a process to screen for initial license and registration applicants who are spouses of a service member, but not for a facility application. If the Board is required to update this process to meet the requirements of the bill, then online forms and other items on the Board's website would need to be updated. If the bill would apply to renewal applications, the Board would have to manually review those, which are currently 99.0 percent automatically reviewed. Therefore, the Board estimates that it would require a 0.50 FTE position in FY 2025 at a cost of \$24,375 and for FY 2026 and beyond a 0.25 FTE position at a cost of \$12,187 all from agency fee funds. In FY 2022 and FY 2023, the Board received 22 initial

applications each year from military spouses. If the Board is not allowed to collect the background check fee from the applicants, the agency would expend \$1,254 ( $\$57 \times 22$ ) from its fee fund. The agency states that if the bill is limited to initial individual applications the reduction to its revenues would be negligible, but if the bill would apply to annual renewal applications and facility applications, then the revenue loss could be thousands of dollars. It is unknown if the loss in revenues would affect the State General Fund with respect to the 10.0 percent, up to \$100,000, required by statute that is transferred yearly from its fee fund.

The Behavioral Science Regulatory Board estimates that its revenues would be reduced by \$15,660. Of that amount, \$1,566 would be a reduction to the State General Fund and \$14,094 would be a reduction to the agency's fee fund. Because the agency's revenues are typically under \$1.0 million, 10.0 percent of the revenues are deposited into the State General Fund.

The Department of Education indicates that the bill would reduce fees collected for teacher licenses but is unable to estimate the number of spouses that would participate and therefore a fiscal effect cannot be estimated.

The Board of Healing Arts indicates that in FY 2023 it had 76 spouses of active-duty military service members seek licensure in Kansas at a total cost of \$7,270. Assuming there is a slight increase each year, the agency anticipates the revenue reduction to the agency would be \$8,000 in FY 2025 and \$10,000 in FY 2026.

The Kansas Dental Board indicates that it currently waives application, licensing, registration, certification, and permit fees for all active military service members and their spouses and therefore the bill would not have a fiscal effect on the agency.

The Board of Nursing states that it would have to update its licensing software to add the new license category, which would cost \$30,000 in FY 2024 from its fee fund. The agency estimates the enactment of the bill would reduce its revenues by \$3,886 in FY 2025.

The Board of Examiners in Optometry assumes that an applicant would no longer be required to pay for the criminal background report and therefore the agency's expenditures would increase by \$600 in FY 2025. If the military spouse would no longer be required to pay the application and biennial renewal fees, then the agency's revenues would decrease by \$12,000 in FY 2025.

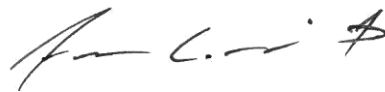
The Department of Health and Environment indicates that approximately 29 spouses would no longer pay lead licensing registration fees. This would equate to a reduction in fees collected of \$9,200 in FY 2025 and FY 2026.

The Insurance Department, the Abstractors' Board of Examiners, the Kansas Real Estate Commission, the Real Estate Appraisal Board, the Board of Technical Professions, the Board of Mortuary Arts, and the Hearing Instruments Board of Examiners all indicate that they have no data on military spouses and therefore the amount of revenue loss cannot be estimated. The Insurance Department further states that it would have to change programming and business rules with the

National Insurance Producer Registration to eliminate the fee for the spouses, but any additional expenditures could be absorbed within existing resources.

The Department for Aging and Disability Services and the Board of Accountancy both state that the bill would have a negligible effect to agency revenues. The Board of Cosmetology states that the bill would not have a fiscal effect. Any fiscal effect associated with HB 2745 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt  
Director of the Budget

cc: Shawn Herrick, Abstracters Board of Examiners  
Susan Somers, Board of Accountancy  
Leigh Keck, Department for Aging & Disability Services  
Cassiopeia Capps, Board of Barbering  
David Fye, Behavioral Sciences Regulatory Board  
Benjamin Foster, Board of Cosmetology  
Charity Carlat, Kansas Dental Board  
Gabrielle Hull, Department of Education  
Danielle Dorner, Hearing Instruments Board of Examiners  
Jan Murray, Board of Optometry  
Susan Gile, Board of Healing Arts  
Amy Penrod, Department of Health & Environment  
Bobbi Mariani, Insurance Department  
J.W. Carey, Board of Mortuary Arts  
Jill Simons, Board of Nursing  
Alexandra Blasi, Board of Pharmacy  
Erik Wisner, Kansas Real Estate Commission  
Sally Pritchett, Real Estate Appraisal Board  
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