

February 3, 2011

The Honorable Steve Brunk, Chairperson  
House Committee on Federal and State Affairs  
Statehouse, Room 149-S  
Topeka, Kansas 66612

Dear Representative Brunk:

**SUBJECT:** Fiscal Note for HB 2036 by Representative Otto, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2036 is respectfully submitted to your committee.

HB 2036 relates to the interpretation and enforcement of federal statutes by Kansas state agencies and courts. The bill requires that if an agency is interpreting or enforcing a federal regulation or statute, or a national building or fire code, a less restrictive interpretation given in other states would apply unless the interpretation conflicts with a Kansas statute, regulation, or local ordinance or resolution. Also, the court may receive evidence related to the interpretation, and other specified issues, provided that the evidence relates to the validity of the agency action at the time and is needed to decide disputed issues.

The Judiciary notes that the passage of HB 2036 would require courts to consider additional evidence concerning other states' interpretations of federal regulations, federal statutes, or national building or fire codes. Although the precise fiscal effect that would result from passage of HB 2036 is unknown at this time, it is estimated such effect would not be substantial.

The Department of Revenue states that the passage of HB 2036 would affect contested legal matters that are subject to review under the Act for Judicial Review and Civil Enforcement of Agency Action. For example, Kansas relies on the Internal Revenue Code and related Treasury Regulations for purposes of imposing and administering various state taxes. If enacted, the bill would disrupt efforts to administer tax law if taxpayers were permitted to rely upon interpretations of relevant federal statutes and regulation that exist in other states. There would

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also be ongoing, indeterminate expenses from continually changing forms and software. Any fiscal effect associated with HB 2036 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

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

cc: Mary Rinehart, Judiciary  
Larry Baer, League of Municipalities  
Melissa Wangemann, Kansas Association of Counties  
Becky Bahr, Fire Marshal's Office