

February 24, 2011

The Honorable Marc Rhoades, Chairperson
House Committee on Appropriations
Statehouse, Room 351-S
Topeka, Kansas 66612

Dear Representative Rhoades:

SUBJECT: Fiscal Note for HB 2268 by House Committee on Government Efficiency

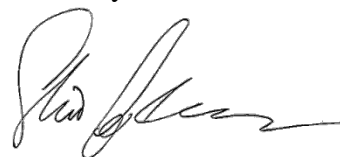
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2268 is respectfully submitted to your committee.

HB 2268 would authorize any state department, agency, commission or authority which is obligated by statute to collect any license, fee, charge, tax or other exaction to impose a surcharge or a discount up to 5.0 percent of the amount of the assessment in order to enhance the efficiency of the agency. The surcharge must be implemented through rules and regulations to establish the rate of the surcharge or discount and to clarify the efficiency goals to be achieved.

In order to assess the extent to which agencies might use the authority allowed by HB 2268, a sampling of 30 state agencies was contacted. Of the 30, 22 agencies had replied as of the time this fiscal note was prepared. Of those 22 agencies that replied, 19 indicated they would not elect to impose an efficiency surcharge or would require additional time to ascertain or identify efficiencies that could be realized.

The Boards of Nursing and Pharmacy and the Real Estate Commission explain that they might impose a surcharge for those who elect to file a licensure renewal on a paper form rather than using online renewal processes or, alternatively, allow a discount for those who elect to file online. It is far more efficient for the agencies when licensees use the online form as all fields must be completed, no corrections to the information must be made by agency staff and storage of paper copies is avoided. The Board of Pharmacy has hired a half-time temporary person during peak renewal periods in the past to assist with paper renewals, a practice that could be discontinued, saving approximately \$5,000 a year. The online renewal process, however, requires a credit card fee or check fee, something not required for a paper renewal. This fee has discouraged online renewals. Any fiscal effect associated with HB 2268 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



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