

Steven J. Anderson, CPA, MBA, Director

Division of the Budget

Sam Brownback, Governor

February 20, 2013

The Honorable Marc Rhoades, Chairperson
House Committee on Appropriations
Statehouse, Room 111-N
Topeka, Kansas 66612

Dear Representative Rhoades:

SUBJECT: Fiscal Note for HB 2262 by House Committee on Appropriations

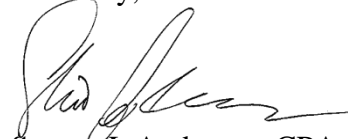
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2262 is respectfully submitted to your committee.

Current law provides for the Oil and Gas Valuation Depletion Trust Fund, into which a portion of state severance taxes are deposited. Prior to creation of this fund by the 2005 Legislature, these monies were deposited in the State General Fund. HB 2262 would abolish the Oil and Gas Valuation Depletion Trust Fund and transfer all money and liabilities associated with it to the State General Fund. The bill would take effect upon its publication in the *Kansas Register*.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	\$34,000,000	--	\$14,700,000	--
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

According to the Department of Revenue, abolishing this fund and transferring the cash would increase revenues to the State General Fund by \$34.0 million in FY 2013, \$14.7 million in FY 2014 and \$15.4 million in FY 2015. The first year's amount is greater as it includes monies collected in prior years. The fiscal effect for FY 2014 and FY 2015 associated with HB 2262 is anticipated in *The FY 2014 Governor's Budget Report*. The additional revenues in FY 2013 are not accounted for, however. It was anticipated that the bill's effective date would coincide with FY 2014, not in the current year.

Sincerely,



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

cc: Steve Neske, Revenue