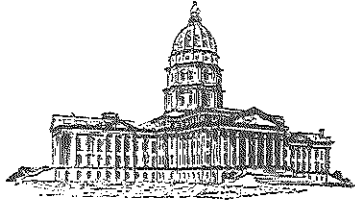


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Committee Assignments

Chair: Water
Member: Commerce, Labor and Economic
Development
Member: Taxation
Member: Rules and Journal

January 24, 2021

Ways and Means Committee
Kansas Senate

Ref: HB 2087, Testimony in favor of

Chairman Billinger and members of the committee:

Thank you for allowing me the time to come before you to give my testimony in favor of HB 2087. The original language comes from a bill the legislature passed in 2018. The legislative intent, as put forward by members of the Joint Administrative Rules and Regulations Committee, was to obtain more precise information concerning the eventual cost of any new rule or regulation being proposed. A \$3 Million-dollar amount was placed as an amount that would seem excessive when the rule or reg was implemented by the end user. I am pleased to inform you that the law has had a very substantive effect on the submissions coming before the committee now. The Economic Impact statement portion of the submissions are now very detailed and informative.

It has come to our attention that the law was too broad, in that it gave the Budget Director too much authority. The current law gives the Budget Director authority the ability to disapprove submissions and was thought to be a workable procedure at the time. The Director informed us that his office should not have that authority based on current legislative procedures. The Director further informed us that the requirement to review and calculate the economic impact of all submitted regulations created a workload that cannot be sustained. After careful review, the JCARR Committee agrees with that assessment. The Vice Chair, Rep. Carmichael and I met with all parties on this issue. The compromise reached is that only those submissions with a projected cost of implementation exceeding \$3 million will be reviewed thoroughly by the Budget Director.

The changes addressed in this bill are as follows:

1. Removing power of the budget director to disapprove rules and regulations;
2. Allowing regs required by a federal mandate to skip the division of budget review process;

3. If the agency determines the rule and reg will cost less than \$3 Million over a two - year period, the agency will provide a copy of the economic impact statement, but the budget director will not have to do a formal review of that economic impact statement;
4. Providing that the two-year period for calculating the cost of the rule and reg starts at the effective date of the rule and reg;
5. Removing the requirement that the agency provide an estimate of the total implementation and compliance cost (currently, this is required in addition to providing the cost over the two-year period).

The original bill was amended in committee to change the date on line 27, page 4 of the bill from 2021 to 2023. This will give the new Director of Budget the time to implement the new law and to evaluate the appropriateness of the dollar amount and for Post Audit to review.

Thank you.

Respectively submitted by, '

A handwritten signature in black ink, appearing to read "Ron Highland". The signature is written in a cursive, flowing style.

Ron Highland, Dist. 51

Kansas House of Representatives