

1 possible and regularly report to the Legislature additional
2 methods by which to streamline their operational costs.

3 (2) In accordance with the instructions for
4 legislative budget requests, each state agency shall examine
5 the fees it charges for providing services and regulatory
6 oversight. The annual examination shall determine whether
7 operational efficiencies can be achieved in the underlying
8 program, whether the regulatory activity is an appropriate
9 function that the agency should continue at its current level,
10 and whether the fees charged for each regulatory program are:

11 (a) Based on revenue projections that are prepared
12 using generally accepted governmental accounting procedures or
13 official estimates by the Revenue Estimating Conference, if
14 applicable;

15 (b) Adequate to cover both the direct and indirect
16 costs of providing the service or regulatory oversight; and

17 (c) Reasonable and take into account differences
18 between the types of professions or businesses that are
19 regulated.

20 (3) If the agency determines that the fees charged for
21 services or regulatory oversight are not adequate to cover
22 program costs and that an appropriation from other state funds
23 is necessary to supplement the direct or indirect costs of
24 providing a service or regulating a program, the agency shall
25 present to the Governor and the Legislature as part of its
26 legislative budget request a proposal for changes in fees or
27 laws which are necessary to make the service or regulatory
28 program totally self-sufficient or shall demonstrate that the
29 service or program provides substantial benefits to the public
30 which justify a partial subsidy from other state funds. The
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1 Legislature shall review the proposal during the next regular
2 session.

3 Section 2. This act shall take effect July 1, 2006.

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6 SENATE SUMMARY

7 Requires that state agencies review the fees charged for
8 providing services or regulating businesses and
9 professions. Requires each agency, as part of its
10 legislative budget request, to provide to the Governor
and Legislature a proposal for making a service or
regulatory program self-sufficient or provide
justification for a subsidy from other state funds.

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