

February 16, 2024

The Honorable Emil Bergquist, Chairperson
 House Committee on Local Government
 300 SW 10th Avenue, Room 281-N
 Topeka, Kansas 66612

Dear Representative Bergquist:

SUBJECT: Fiscal Note for HB 2733 by House Committee on Local Government

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2733 is respectfully submitted to your committee.

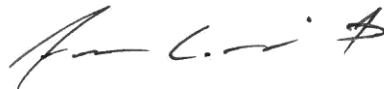
HB 2733 would require an association that contracts for the repair or maintenance of any portion of the exterior of a unit to ensure that the repair or maintenance is performed in accordance with all applicable building codes required by the city and county where the unit is located. Any association that knowingly violates this provision would be liable to pay a civil penalty in an action brought by the Attorney General in a sum set by the court, which could not exceed \$500 for each violation. The court would have jurisdiction to issue injunctions or writs of mandamus to enforce the provision of the bill. Any civil penalty recovered would be deposited into the State General Fund.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	\$530,000	\$472,500
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$530,000	\$472,500
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	5.00	5.00

The Office of the Attorney General states that it receives several inquiries a week about homeowners' associations. Therefore, the Office states that it would require a total of \$530,000 from the State General Fund in FY 2025 and \$472,500 for FY 2026. The agency would need to hire 2.00 Investigator FTE positions at a total cost of \$180,000 for salary and related operating. The agency would also need to hire 1.00 Attorney FTE position to bring action for civil penalties at a cost of \$120,000 for salary and related operating expenditures. To administratively support the three new positions, the agency would also require 1.00 Legal Assistant FTE position and 1.00 Administrative Assistant FTE position at a total cost of \$150,000 for salary and related operating expenditures. These positions would provide legal support and process complaints. In addition, the agency would need to procure two new vehicles to support the activities of the required positions at a total cost of \$80,000. The agency is unable to estimate the amount of revenue the bill would generate that would be deposited into the State General Fund from civil penalties that would be recovered.

The Office of Judicial Administration states that the bill could increase the number of cases filed in district courts because it allows for civil actions to be filed by the Attorney General, which would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also result in the collection of docket fees and civil penalties that would be deposited into the State General Fund. However, the agency cannot estimate the overall fiscal effect of the bill. Any fiscal effect associated with HB 2733 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Bobbi Mariani, Insurance Department
Trisha Morrow, Judiciary
William Hendrix, Office of the Attorney General