

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Mark Parkinson at 9:00 a.m. on February 9, 1993 in Room 531-N of the Capitol.

All members were present except:

Committee staff present: Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Jerry McCoy, Sedgwick County Treasurer
Sara F. Ullmann, Register of Deeds Association
Vera Sutton, Kansas Land Title Association
Don Moler, League of Kansas Municipalities
Paul Shelby, Office of Judicial Administration
Bill Ervin, Municipal Accounting Section
Rogers Brazier, Dept. of Administration
Bill Mitchell, Kansas Land Title Association
Anne Smith, Kansas Association of Counties

Others attending: See attached list

Continued hearings on:

SB130 -- Concerning setoff against debtors of the state and municipalities therein; authorizing reciprocal agreements with other states to allow the setoff of tax liabilities of other states.

SB 131 -- Concerning special assessments; relating to interest thereon.

SB 132 -- Concerning the county register of deeds; relating to the recording of plats.

SB 142 -- Concerning cities; relating to the general improvement and assessment law.

SB 153 -- Concerning cities; relating to special assessments to pay the costs of improvements authorized thereby.

The Chairman called on Jerry McCoy, Sedgwick County Treasurer, for his testimony which was in support of **SB 130** if amended. (See Attachment 1).

Sara Ullmann, Kansas Register of Deeds Association, followed with testimony in support of **SB 132** if amended as suggested. (See Attachment 2).

The Chairman asked Ms. Ullmann if she would support the bill if it is kept as is but eliminating New Section 2. Ms. Ullmann answered that she would be agreeable with this. Sen. Gooch felt that perhaps eliminating New Section 2 would defeat the purpose of the bill. Ms. Ullmann responded that the bill is good for the section regarding plats, but not for instruments of transfer.

Vera Sutton of the Kansas Land Title Association followed with further testimony in support of **SB 132** with amendments. (See Attachment 3).

Don Moler, League of Kansas Municipalities, testified in support of **Senate Bills 130, 131, 142, and 153.** (See Attachments 4 and 5).

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT, Room 531-N Statehouse, at 9:00 a.m. on February 9, 1993.

Paul Shelby, Office of Judicial Administration, testified in support of SB 130 with amendments. (See Attachment 6).

Sen. Feleciano stated that he feels Mr. Shelby's amendments should be included in a separate bill.

Bill Ervin, Municipal Accounting Section, followed with further testimony in support of SB 130. (See Attachment 7). He introduced Rogers Brazier from the Legal Department .

Sen. Gooch had questions regarding the collection of child support debts which were answered with the help of Mr. Brazier. Mr. Brazier briefly stated the Department's support of Mr. Gaar's proposals which were presented at the meeting of February 4. He distributed copies of a balloon of Mr. Gaar's proposed amendments. (See Attachment 8). Sen. Gooch began a discussion regarding the definition of "debts" as used in the bill. Mr. Brazier concluded that the word is used for clarification rather than to refer to types of debt.

Bill Mitchell, representing the Kansas Land Title Association, testified in regard to SB 132. He stated that he feels it tends to impede the free transfer of real estate. It creates one more piece of information to assemble which burdens title companies. He supports the removal of New Section 2 as proposed by Vera Sutton.

Final testimony was given by Anne Smith, Kansas Association of Counties, who represented John Torbert, in support of SB 130. (See Attachment 9).

There being no further time, the Chairman announced that the committee will continue to hear testimony on Thursday, beginning with the testimony of Mark Burghart , Kansas Department of Revenue.

The minutes of February 2 and February 4 were approved.

The meeting was adjourned at 10:00 a.m.

The next meeting is scheduled for February 11, 1993.

Date: Feb. 9, 1993

GUEST REGISTER

SENATE

LOCAL GOVERNMENT

NAME	ORGANIZATION	ADDRESS
Paul Shelkin	OJA	Topeka
MARK A. BURGHART	REVENUE	TOPEKA
Steve Spotts	"	"
DON SIFFERT	CITY OF OLATHE	OLATHE
Jacqueline Webb	Register of Deeds	Allen County
Sara F. Ullmann	" "	Johnson County
Glinda Fincham	" "	MARSHALL County
Anne Smith	Ks. Assoc. of Counties	Topeka
Don Molar	League of KS Municipalities	Topeka
Harvey Hedington	" "	TOPEKA
JERRY McLAY	SEDO. Co. TREASURER	WICHITA
Ron Smith	Ks Bar Assoc	TOPEKA
Robin Lehman	Ks Gov. Consulting	Topeka
Janet STUBBS	HBA of KS	TOPEKA
John Dorier	Kansas Land Title Assn.	Topeka
DOUG CRAIG	ST OF KS DOFA	TOPEKA
Bill Ervin	" "	"
Roger Brazier	DOFA Legal	Topeka



SEDGWICK COUNTY, KANSAS

TREASURER

Jerry McCoy
SUITE 107

COUNTY COURTHOUSE, WICHITA, KANSAS

MAILING ADDRESS: P.O. BOX 2909, WICHITA, KANSAS 67201-2909

PERSONAL PROPERTY TAXES/VEHICLE REFUNDS
REAL ESTATE TAXES

383-7651
383-7414

FAX
DISTRIBUTION AND BONDS
CASHIER

316-383-7113
383-7561
383-7345

TESTIMONY OF JERRY MCCOY, SEDGWICK COUNTY TREASURER BEFORE
THE KANSAS SENATE COMMITTEE ON LOCAL GOVERNMENT ON
TUESDAY, FEBRUARY 9, 1993 REGARDING S.B. 130

Thank you for the opportunity to address the committee
this morning.

I support the concept of Senate Bill No. 130 regarding the
setoff of tax liabilities owed to any municipality.

I believe however, that additional clarifying language
should be inserted to provide the most effective and clear
statute possible. Therefore I recommend the following:

Page 1, Sec. 3 (1) after "municipality" add "including but
not limited to real estate taxes, personal property taxes,
special assessments, and statutory interest and fees."

Page 2, Sec. 3 (3) after "municipality" add "including,
but not limited to, taxes."

Page 7, Sec. 10 (d) after "owed" insert "to" and after
"municipalities" add "including, but not limited to,
taxes."

With the above changes, I believe significant additional
delinquent taxes could be collected, state-wide, to
relieve current taxpayers.

These changes were developed with the cooperation of
Clancy Holeman, Attorney, Sedgwick County Delinquent Tax
Unit and the Johnson Co. and Wyandotte County Treasurers
have been consulted and support these changes.

Thank you for the opportunity to testify before the
Committee today.

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Attachment 1*

REGISTER OF DEEDS

KANSAS ASSOCIATION

PRESIDENT Charlotte Shawver
VICE-PRESIDENT Janice Gillispie

Rose Ann Rupp SECRETARY
Sharlene Wright TREASURER

TO: Senate Committee on Local Government

FROM: Sara F. Ullmann, Johnson County and Linda Fincham, Marshall County
Co-Chairs Legislative Committee, Register of Deeds Association

RE: S.B. 132

DATE: February 8, 1993

Thank you for the opportunity to testify on this bill.

We would suggest the following wording for Section 1. K.S.A. 19-1207 is hereby amended to read as follows: 19-1207. (a) The register of deeds shall keep a large, well-bound book, in which the original or a ^{REPRODUCTION} facsimile thereof of all recorded plat maps of townsites or cities or additions to the same within the county shall be retained. The register shall keep an index to such book of plats, which indexes shall contain the name of the townsite or city or addition. No register of deed shall be bound to perform any of the duties required to be performed by this act, for which a fee is allowed, unless such fee has been paid or tendered.

No opposition to changes in (b).

The Register of Deeds Association, feels that the new language in Sec. 2 should be carefully considered. Although we understand that the purpose of requiring a tax receipt may lessen the number of delinquent taxes, the administration cost and the burden to the general taxpayer may be substantial. You add a burden to the majority of taxpayers who follow the law to catch the few who would circumvent the law.

Documents which could be considered instruments of transfer are: warranty deeds, quit claim deeds, deeds establishing trusts, deeds for joint tenancy, deeds for tenancy in common, deeds adding or deleting persons, forfeiture deeds, Sheriff deeds, deeds of dedication, divorce documents, death certificates, permanent easements, cemetery deeds, affidavits of equitable interest, condemnations, vacations of property, and district court proceedings. Approximately only half of the above listed documents require transfer stamps from the county clerk's office.

Documents are brought to the register of deeds office by individuals, by title company or abstractors and delivered via the mail. When a transaction is handled by a title

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company or an abstractor, payment of taxes usually does not occur until the documents have been recorded in the register of deeds office. Providing the tax receipt prior to recording, would certainly effect documents handled by title companies. For those documents which are handled via the mail, the necessity to provide a tax receipt would most definitely add a burden and possibly reduce the ease of doing business through the mail.

If it is the decision of the committee to require that a tax receipt be provided, we would ask that the committee give clear guidance as to the method in which a register of deeds will confirm that the receipt was presented at the time of recording. Should the receipt be recorded with the documents and if so, would recording fees be appropriate. If the receipt were not recorded, but a separate file maintained, how long would the register of deeds be required to maintain such a file.

In 1992, 20,528 deeds were filed in Johnson county. In 1992, 800 deeds were filed in Marshall county. These figures represent a large and medium size county. These numbers only include those documents which actually required a transfer stamp from the county clerk. I believe you could safely double that figure to include all documents which transfers real estate. The administrative costs which would be required to meet the requirements of this bill, must be judged against the purpose of collecting on delinquent taxes. Many delinquent taxes are on property which has not changed hands for many years and thus this bill would not address collection on those delinquencies unless there was an actual transfer of the property.

I believe that there are other interested parties who will speak to the difficulties involved in administering the requirement of tax receipts on any transfer of real estate prior to recording.

We thank the committee for the opportunity to testify and we stand for questions at anytime.

Date: February 9, 1993

To: Senate Committee on Local Government

Re: Senate Bill No. 132

From: Kansas Land Title Association

Dear Senators:

The Kansas Land Title Association recommends the following changes to Senate Bill 132, to wit:

1. Lines 27 and 28 changed as follows: "real estate taxes and annual installments of special assessments due and owing on land to be platted." Adding the words "annual installments of" will clarify that only the annual installment of the total special assessment needs to be paid, rather than the entire special assessment levied upon the real estate;
2. Delete New Section 2. The provisions of New Section 2 are too broad and could create hardships for transfers of real estate when payment of real estate taxes are not of any concern to the parties involved in the transfer, such as creation of trust ownership, joint tenancy, gifts, transfers resulting from divorce settlements, and transfers to clear title disputes and encumbrances. Further, some transfers of title may place the responsibility for payment of taxes on the Buyer and the requirements of this new section would require payment of 2nd half of annual taxes upon transfer of title, rather than allowing the 2nd half of taxes to be paid on June 20 as provided by Kansas Law. Buyers of real estate have adequate protection through title search requirements and title insurance which ensure that real estate taxes are paid current when real estate is transferred. Finally, it is not the province of the Register of Deeds Office to police the payment of real estate taxes and the requirements of this new section would greatly hamper the efficient transfer of title to real estate and substantially increase the duties of the Register of Deeds.

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Attachment 3



League of Kansas Municipalities

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565

TO: Senate Committee on Local Government
FROM: Don Moler, Senior Legal Counsel, League of Kansas Municipalities
RE: SB 130
DATE: February 9, 1993

League Policy Position. The League supports the passage of SB 130 to permit municipalities to utilize the state setoff program for the collection of certain municipal debts. Allowing the collection of certain municipal debts through a State setoff program appears to be a win/win situation. The State setoff system can help municipalities retrieve moneys which they otherwise might not be able to retrieve. In this process, municipalities would be able to use the State setoff system and provide fees for its use and maintenance. Finally, this program would allow local governments to retrieve moneys owed and reduce the need to raise taxes on the citizens who do pay their bills.

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Attachment 4*



League of Kansas Municipalities

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565

TO: Senate Committee on Local Government
FROM: Don Moler, Senior Legal Counsel, League of Kansas Municipalities
RE: SB 131, SB 132, SB 142, SB 153
DATE: February 9, 1993

League Policy Position. The League supports the passage of SB 131, SB 132, SB 142 and SB 153 to permit municipalities greater flexibility in the use and application of the general improvement and assessment law found at K.S.A. 12-6a01 et seq. All four of these bills broaden the authority of cities to determine their own affairs as they relate to the use of special assessments. This general policy of broadening local authority is in complete agreement with League policy of many years which supports allowing cities to handle local matters locally.

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Submitted by:

Paul Shelby
 Assistant Judicial Administrator
 Office of Judicial Administration

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 Attachment 6

appropriate account or fund of the state agency to the accounting services recovery fund. *If a foreign state agency or municipality fails to remit the collection assistance fee as required by this subsection, the director may seek collection of such fee in such manner as may be allowed by law.*

(e) In cases involving the collection of debts arising from the employment security law, the entire amount collected shall be credited to the employment security fund and the collection assistance fee shall be transferred from the special employment security fund to the accounting services recovery fund.

Sec. 10. K.S.A. 75-6211 is hereby amended to read as follows: 75-6211. The priority in multiple claims by state agencies, *foreign state agencies and municipalities* for setoff under the provisions of this act shall be according to the *time of filing with the director* under K.S.A. 75-6208. *Notwithstanding the priority established in this section, collection of taxes shall have priority over other claims for collection by the setoff procedure. following priority of claims:*

(a) *Collection of taxes owed to agencies of the state of Kansas;*

(b) *claims for collection of intrastate and interstate child support debts;*

(c) *claims for collection of debts which have been written off by assignment to the director;*

(d) *claims for collection of debts owed municipalities;*

(e) *other claims according to the time of filing with the director under K.S.A. 75-6208 and amendments thereto; and*

(f) *notwithstanding subsection (e), claims for collection of tax liabilities of other states shall have last priority according to the time of filing with the director under K.S.A. 75-6208, and amendments thereto.*

Sec. 11. K.S.A. 75-6212 is hereby amended to read as follows: 75-6212. (a) Notwithstanding any provision of law prohibiting disclosure by the department of revenue of the contents of taxpayer records or information and notwithstanding any confidentiality statute of any state agency, *foreign state agency or municipality*, all information exchanged among the department of revenue, any other state agency, *foreign state agency or municipality* and the debtor necessary to accomplish and effectuate the intent of this act is lawful.

(b) The information obtained by any other state agency, *foreign state agency or municipality* from the department of revenue in accordance with the exemption authorized by subsection (a) shall only be used by such other state agency, *foreign state agency or municipality* in the pursuit of its debt collection duties and practices.

, fines, penalties, forfeitures, and court costs

and district courts

claims for restitution to crime victims to be paid through a clerk of a district court;

(d)

e

f

g

Testimony of Bill Ervin, Chief, Municipal Accounting Section
S.B. 130 - Relating to Expansion of Setoff Program
Senate Local Government Committee
February 4, 1993, 9:00 a.m.

The main purpose of S.B. 130 is to allow municipalities to use the Setoff Program.

The Setoff Unit is an office within the Division of Accounts and Reports that is responsible for administering the State Debt Setoff Act (K.S.A. 75-6201 et seq.) and, in so doing, assists other state agencies in collecting their delinquent accounts receivable. The steps by which this is done follows:

1. State agencies submit certain debt information (debtor name, social security number, debt amount, and debt description), and this information is entered into the computerized "master debtor file."

2. On a regular basis, computer tapes of the master debtor file are matched against payments in process of state "payor" agencies (e.g., tax refunds of Department of Revenue, unemployment compensation benefit payments by Department of Human Resources, etc.).

3. When a match is made between a debt and a payment in process, the payment is suspended, and we send the debtor a notice that we intend to apply the suspended money to his/her debt. The debtor is also advised that, if he/she disputes the validity of the debt, a due process hearing can be requested. If no hearing is requested, the money is transferred to the creditor state agency.

4. If, within 15 days, the debtor requests a hearing, the money is held until after the resolution by the presiding hearing officer.

During FY92, the Setoff Program collected \$6,170,848 which is 24.5% over that collected in FY91. For the first six months of FY93, the Setoff Program collected \$2,590,955, which is 35.0% over that collected in the first six months of FY92. Appendix 1 shows the amounts of State agencies' debts collected in FY90, FY91, and FY92. Appendix 2 shows which payments in process in FY90, FY91, and FY92 were matched against debts in the master debtor file and subsequently set off against those debts.

We believe the benefits of this successful collection program should be extended to municipalities via S.B. 130. Extending the Setoff Program to municipalities was proposed in 1992 H.B. 3188 which the House passed 121-0. Unfortunately, with the press of late session affairs, that bill never made it to the Senate floor for consideration. We have "talked up" the concept of the Setoff Program for municipalities in various ways: our monthly Municipal Accountants' Bulletin and presentations to municipal government meetings. The municipalities' response has been very favorable.

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If the bill is passed, we will need to do some special work to make the Setoff Program more feasible for municipalities. The Setoff Program keys off social security numbers, and, presently, most municipalities have not captured the social security numbers of their debtors. It's possible for us to extend our procedures whereby we could make the matches using last names and addresses of the debtors. We will also be encouraging municipalities to change their internal procedures to capture social security numbers on parties that they do business with.

S.B. 130 also incorporates the Department of Revenue's initiative on reciprocal collection efforts of income tax debts with other states.

Thank you for the opportunity to appear before you today. I appreciate your consideration of S.B. 130.

Attachments

Setoff Program
Summary of Collections (Setoff and Write off) By Agency
Fiscal Year 1990 - Fiscal Year 1992

Agency Name	1990	1991	1992
Attorney General	\$ 171.00	\$ -0-	\$ 614.00
Board of Regents	-0-	111.00	-0-
Commission On Veterans Affairs	-0-	133.00	-0-
Department of Administration	369.00	1,439.00	192.00
Department of Education	-0-	-0-	168.00
Department of Human Resources	501,145.00	382,955.00	381,144.00
Department of Revenue	72,573.00	67,047.00	91,014.00
Department of Transportation	-0-	180.00	-0-
Emporia State University	32,909.00	26,803.00	24,519.00
Fort Hays State University	10,106.00	16,911.00	18,791.00
Grain Inspection Department	65.00	1,324.00	-0-
Health and Environment	6.00	-0-	18.00
Highway Patrol	-0-	80.00	-0-
Insurance Department	-0-	42.00	235.00
Judicial Branch	-0-	1,581.00	2,074.00
Ks. Development Finance Authority	-0-	568.00	-0-
Kansas Soldiers Home	233.00	-0-	-0-
Kansas Lottery	-0-	-0-	111.00
Kansas State University	27,819.00	29,066.00	29,920.00
KSU-Salina-School of Technology	663.00	841.00	2,114.00
Kansas Neurological Institute	1,128.00	2,197.00	1,201.00
Ks. Public Employees Retirement System	306.00	-0-	219.00
Kansas University Medical Center	606,290.00	697,265.00	815,683.00
Larned State Hospital	1,453.00	7,642.00	4,988.00
Osawatomie State Hospital	22,439.00	22,113.00	20,792.00
Parsons State Hospital	192.00	969.00	751.00
Pittsburg State University	23,947.00	19,127.00	15,789.00
Rainbow Mental Health Facility	6,139.00	4,739.00	6,064.00
School for the Deaf	17.00	-0-	-0-
Dept. of Social & Rehabilitation	2,721,791.00	3,602,156.00	4,683,410.00
Topeka State Hospital	12,505.00	13,089.00	11,987.00
University of Kansas	40,628.00	42,843.00	36,793.00
Wichita State University	19,967.00	13,903.00	22,170.00
Wildlife and Parks	735.00	-0-	54.00
Winfield State Hospital	430.00	-0-	33.00
Total	\$ <u>4,104,026.00</u>	\$ <u>4,955,124.00</u>	\$ <u>6,170,848.00</u>

The following write off collections are included in the above amounts:

Department of Revenue	\$ 3,468.00	\$ 8,695.00	\$ 19,312.00
Kansas State University	10,633.00	8,838.00	11,687.00
Kansas University Medical Center	238,775.00	260,150.00	406,663.00
University of Kansas	11,747.00	7,114.00	8,112.00
Other Agencies	8,726.00	10,379.00	15,489.00
Total	\$ <u>273,349.00</u>	\$ <u>295,176.00</u>	\$ <u>461,263.00</u>

SETOFF PROGRAM
SOURCES OF COLLECTIONS
FY 1990 - FY 1992

<u>SOURCES OF COLLECTIONS</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>
State Employee Payroll	\$ 108,779	\$ 97,659	\$ 115,106
State Tax Refunds	1,864,786	1,728,980	1,628,306
Other State Payments (A)	265,193	252,866	348,411
Direct Payments (B)	108,118	122,158	160,978
Unemployment Insurance (C)	1,470,808	2,460,213	3,502,308
Unclaimed Property	10,801	12,144	15,836
Agency Collections (D)	275,541	244,009	369,871
KPERS (E)	-0-	37,095	30,032
TOTAL	\$ <u>4,104,026</u>	\$ <u>4,955,124</u>	\$ <u>6,170,848</u>

- (A) These include miscellaneous voucher that contain social security numbers of federal employer identification numbers. Also includes Lottery prize winnings.
- (B) These are cash payments received from debtors after they are notified by the Setoff Program.
- (C) KPERS monthly benefits and unemployment insurance benefits are only matched against delinquent child support debts.
- (D) When agencies receive direct payments on accounts that are in the Setoff Program and have been notified by the Division of Accounts and Reports, they are required to reimburse the Division 15 percent for its collection activities on setoff accounts (KUMC 10 percent) and 100 percent on write off accounts.
- (E) Fiscal year 1991 was the first year for the Setoff Program to intercept KPERS retirement and disability payments for child support debts.

SENATE BILL No. 130

By Committee on Local Government

1-29

AN ACT concerning setoff against debtors of the state and municipalities therein; authorizing reciprocal agreements with other states to allow the setoff of tax liabilities of other states; amending K.S.A. 75-6201, 75-6202, 75-6203, 75-6204, 75-6205, 75-6206, 75-6207, 75-6210, 75-6211, 75-6212 and 75-6214 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. The secretary of revenue and the director of accounts and reports are hereby authorized to enter into reciprocal agreements with other states to allow the setoff of delinquent taxes owed to such other states pursuant to K.S.A. 75-6201 *et seq.*, and amendments thereto.

Sec. 2. K.S.A. 75-6201 is hereby amended to read as follows: 75-6201. The purpose of this act is to establish as policy that state agencies shall cooperate in identifying debtors who owe money to the state, ~~a foreign state agency and any municipality~~ and that procedures be established for setting off against debtors the sum of any debt owed to the state, ~~a foreign state agency or any municipality~~.

any judicial district of this state or the clerk thereof,

Sec. 3. K.S.A. 75-6202 is hereby amended to read as follows: 75-6202. As used in this act:

(a) "Debtor" means any person who:

(1) Owes a debt to the state of Kansas ~~or any state agency or any municipality; or~~

,any judicial district of this state or the clerk thereof,

(2) owes support to an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756 and amendments thereto or under part D of title IV of the federal social security act (42 U.S.C. § 651 *et seq.*), as amended; or

(3) owes unpaid taxes to any state which has entered into a reciprocal agreement pursuant to section 1.

(b) "Debt" means:

(1) Any liquidated sum due and owing to the state of Kansas, any judicial district of this state or the clerk thereof, or any state agency which has accrued through contract, subrogation, tort, op-

eration of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum; ~~or~~

(2) any amount of support due and owing an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756 and amendments thereto or under part D of title IV of the federal social security act (42 U.S.C. § 651 *et seq.*), as amended, which amount shall be considered a debt due and owing the department of social and rehabilitation services for the purposes of this act;

(3) *in the case of a municipality, a liquidated sum due and owing to the municipality; or*

(4) *any amount of unpaid taxes owed to any state which has entered into a reciprocal agreement pursuant to section 1.*

(c) "Refund" means any amount of Kansas income tax refund due to any person as a result of an overpayment of tax, and for this purpose, a refund due to a husband and wife resulting from a joint return shall be considered to be separately owned by each individual in the proportion of each such spouse's contribution to income, as the term "contribution to income" is defined by rules and regulations of the secretary of revenue.

(d) "Net proceeds collected" means gross proceeds collected through final setoff against a debtor's earnings, refund or other payment due from the state or any state agency minus any collection assistance fee charged by the director of accounts and reports of the department of administration.

(e) "State agency" means any state office, officer, department, board, commission, institution, bureau, agency or authority or any division or unit thereof.

(f) "Person" means an individual, proprietorship, partnership, limited partnership, association, trust, estate, business trust, corporation, other entity or a governmental agency, unit or subdivision.

(g) "Director" means the director of accounts and reports of the department of administration.

(h) *"Municipality" means any municipality as defined by K.S.A. 75-1117, and amendments thereto.*

(i) *"Payor agency" means any state agency which holds money for, or owes money to, a debtor.*

(j) *"Foreign state agency" means any state or agency of a state which has entered into a reciprocal agreement pursuant to section 1.*

Sec. 4. K.S.A. 75-6203 is hereby amended to read as follows: 75-6203. (a) The collection remedy under this act is in addition to and not in substitution for any other remedy available by law.

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(b) Each state agency ~~shall~~, *foreign state agency and municipality*, whenever possible, *shall* obtain the full name, social security number, address and any other information required by the director of accounts and reports from any person for whom the state agency, *foreign state agency or municipality* provides any service or with whom the state agency, *foreign state agency or municipality* transacts any business and who may become a debtor under this act.

(c) Except for debts for which a voluntary agreement for payment has been entered into and is being complied with or debts for which garnishment or other judicial proceedings are pending and except as otherwise directed by the secretary of administration, the director may require any state agency to certify all debts owed to the state agency or to certify all such debts in specified categories of debts, for setoff under K.S.A. 75-6204, *and amendments thereto*. Any state agency required to certify debts under this subsection shall give the director all information relating to such debts as may be requested by the director.

(d) The secretary of administration as provided in K.S.A. 75-3706 and amendments thereto may adopt rules and regulations necessary to carry out the provisions of this act.

(e) The secretary of revenue may adopt rules and regulations defining the term "contribution of income" for the purposes of this act.

Sec. 5. K.S.A. 75-6204 is hereby amended to read as follows:

75-6204. (a) Subject to the limitations provided in this act, if a debtor fails to pay to the state of Kansas ~~or any state agency, foreign state agency or a municipality~~ an amount owed, the director may setoff such amount against any money held for, or any money owed to, such debtor by the state or any state agency.

(b) *The director may enter into an agreement with a municipality, judicial district of this state or the clerk thereof for participation in the setoff program for the purpose of assisting in the collection of a debt as defined by paragraph (3) of subsection (b) of K.S.A. 75-6202, and amendments thereto.*

Sec. 6. K.S.A. 75-6205 is hereby amended to read as follows:

75-6205. (a) The director shall not effect final setoff and collect debts through use of the remedy established under this act unless the debt is equal to or greater than \$25.

(b) The use of setoff against earnings of a debtor shall be subject to the same dollar limitations and dollar restrictions as are provided by law for wage garnishment. The maximum amount of the disposable earnings of an individual which will be subject to setoff to enforce any order for the support of any person shall not exceed 50% of the

, any judicial district of this state or the clerk thereof,

debtor's disposable earnings unless the state agency or municipality submits satisfactory information to the director indicating that a greater percentage is applicable and authorized by law.

Sec. 7. K.S.A. 75-6206 is hereby amended to read as follows:

75-6206. (a) A state agency, ~~foreign state agency or municipality~~ which requests the director to assist in the collection of a debt due to the state agency, ~~foreign state agency or municipality~~ by the utilization of setoff procedures under this act or which is required to certify debts under K.S.A. 75-6203 and amendments thereto, shall certify to the director in writing the identity of the debtor, the amount of the debt subject to setoff and other information as the director may require. The director shall cause such data to be matched to payroll, refund and other pending payment files to identify those instances where setoff procedures may be implemented. The director shall then make the following notification to the debtor in writing, either by personal delivery to the debtor or by mail. Such notification shall include:

(1) A demand for payment of the debt and a brief explanation of the legal basis of the debt;

(2) a statement of the ~~state agency's~~ director's intention to setoff the debt due against the debtor's earnings, refund or other payment due to the debtor from the state of Kansas or any state agency;

(3) the right of the debtor to request in writing a hearing to contest the validity of the claim, if such request is made: (A) Within 15 days of the mailing of the notice, or (B) in cases where notice was not given by mail, within 15 days of personal delivery to the debtor;

(4) a statement that a hearing may be requested by making a written request therefor to the director of accounts and reports and the address of the director; and

(5) the fact that failure to request a hearing within the fifteen-day period will be deemed a waiver of the opportunity to contest the claim causing final setoff by default.

(b) A copy of the notice required by subsection (a) to be sent to the debtor shall be sent to each state agency ~~involved~~ ~~foreign state agency or municipality seeking collection through setoff from the debtor~~. Subject to the provisions of K.S.A. 75-6205, ~~upon receipt of the copy of such notice the state and amendments thereto and upon request of the director, the payor agency shall withhold from the named debtor an amount equal to that claimed as the debt owed, and~~ The state agency, ~~foreign state agency or municipality~~ shall notify immediately the director of accounts and reports of any payments thereafter received from the named debtor or of any arrange-

judicial district of this state
or the clerk thereof,

judicial district of this state
or the clerk thereof,

ments thereafter made for payment of the debt. Until the director of accounts and reports gives notice to a ~~state~~ *the payor* agency as to the final determination to proceed or not proceed with the collection of a debt by setoff, the *state payor* agency shall continue to hold payments subject to setoff.

Sec. 8. K.S.A. 75-6207 is hereby amended to read as follows: 75-6207. (a) If the director receives a timely written request for a hearing under K.S.A. 75-6206 and amendments thereto, the director shall request the secretary of administration to appoint a presiding officer who shall hold a hearing in accordance with the provisions of the Kansas administrative procedure act to determine whether the debt claim is valid. Subject to the provisions of subsection (b), the presiding officer shall determine whether the claimed sum asserted as due and owing is correct, and if not, shall order an adjustment to the debt claim which shall be forwarded to the director and to the ~~agency state agency,~~ *foreign state agency or municipality* to which the debt is owed. No issue may be considered at the hearing which has been previously litigated and no collateral attack on any judgment shall be permitted at the hearing. The order of the presiding officer shall inform the debtor of the amount determined as due, if any, and that setoff procedures have been ordered to proceed in accordance with this act. If the setoff is to be made against earnings of the debtor, the order shall include a statement that the setoff may be postponed in accordance with K.S.A. 75-6208 and amendments thereto. Orders under this section shall not be subject to administrative review.

(b) In cases where there is only one known present or future payment due from the state to the alleged debtor, the presiding officer may limit the hearing issue to a determination of whether the debt owed the ~~state agency,~~ *foreign state agency or municipality* is at least equal to the amount of the payment owed to the debtor by the state.

(c) Pending final determination in the order of the presiding officer of the validity of the debt asserted by the ~~state agency,~~ *foreign state agency or municipality*, no action shall be taken in furtherance of collection through the setoff procedure allowed under this act.

(d) Judicial review of an order under this section shall be in accordance with the provisions of the act for judicial review and civil enforcement of agency actions. In any such review, except as provided in subsection (e), the department of administration and the secretary of administration shall not be named parties to the proceedings.

(e) Parties to an action for review of an order under this section

judicial district of this state
or the clerk thereof,

shall be: (1) The debtor; (2) the state agency, ~~foreign state agency or municipality~~ which requested assistance in collecting the debt or which certified the debt; and (3) any party the district court permits to intervene in the action. Applications for a stay or other temporary remedies shall be to the state agency described in subsection ~~(e)(2)~~ district court.

judicial district of this state
or the clerk thereof,

Sec. 9. K.S.A. 75-6210 is hereby amended to read as follows: 75-6210. (a) Upon completion of a setoff transaction, the director shall transfer the net proceeds collected to the account or fund of the ~~officer or agency state agency,~~ ~~foreign state agency or municipality~~ to which the debt was owed.

judicial district of this state
or clerk thereof,

(b) From the gross proceeds collected by the director through setoff, the director shall retain a reasonable collection assistance fee of not to exceed 15% ~~for a state agency~~, except that in the case of transactions for collection of debts arising from the employment security law such fee shall not exceed \$300 for any transaction. ~~The director shall retain a reasonable collection assistance fee from the gross proceeds of collections through setoff on behalf of a municipality in such amount as the municipality and the director shall agree. The director shall retain a reasonable collection assistance fee from the gross proceeds of collections through setoff on behalf of a foreign state agency in such amount as specified in the reciprocal agreement entered into pursuant to section 1.~~ The director may credit a portion of the collection assistance fee to the appropriate account or fund of any other state agency that has incurred expenses in assisting in the collection of the debt. The amount of the collection assistance fee retained by the director shall be deposited in the state treasury and credited to the accounting services recovery fund.

or judicial district of this
state or clerk thereof

(c) Upon receipt by the ~~agency state agency,~~ ~~foreign state agency or municipality~~ of the net proceeds collected, the ~~agency state agency,~~ ~~foreign state agency or municipality~~ shall credit the debtor's obligation in the amount of the gross proceeds collected.

judicial district of this state
or clerk thereof,

(d) Except as otherwise prescribed by the director or the secretary of administration, any state agency, ~~foreign state agency or municipality~~ which receives any payment from a debtor after notification to the debtor under K.S.A. 75-6206 and amendments thereto, other than payments collected pursuant to K.S.A. 44-718 and amendments thereto or collected through the federal government or judicial process, shall remit the collection assistance fee imposed under subsection (b) to the director which shall be credited to the accounting services recovery fund. If a state agency fails to remit the collection assistance fee as required by this subsection, the director may transfer an amount equal to such collection assistance fee from the ap-

1 appropriate account or fund of the state agency to the accounting
 2 services recovery fund. If a ~~foreign state agency or municipality~~ fails
 3 to remit the collection assistance fee as required by this subsection,
 4 the director may seek collection of such fee in such manner as may
 5 be allowed by law.

[judicial district of this state
or clerk thereof,

6 (e) In cases involving the collection of debts arising from the
 7 employment security law, the entire amount collected shall be cred-
 8 ited to the employment security fund and the collection assistance
 9 fee shall be transferred from the special employment security fund
 0 to the accounting services recovery fund.

1 Sec. 10. K.S.A. 75-6211 is hereby amended to read as follows:
 2 75-6211. The priority in multiple claims by state agencies, ~~foreign~~
 3 state agencies and municipalities for setoff under the provisions of
 4 this act shall be according to the time of filing with the director
 5 under K.S.A. 75-6208. Notwithstanding the priority established
 6 in this section, collection of taxes shall have priority over other
 7 claims for collection by the setoff procedure, following priority
 8 of claims:

[judicial districts of this state
or clerks thereof,

9 (a) Collection of taxes owed to agencies of the state of Kansas;

0 (b) claims for collection of intrastate and interstate child support
 1 debts;

2 (c) claims for collection of debts which have been written off by
 3 assignment to the director;

4 ~~(d) claims for collection of debts owed municipalities;~~

5 ~~(e) other claims according to the time of filing with the director~~
 6 under K.S.A. 75-6208 and amendments thereto; and

(d)

7 ~~(f) notwithstanding subsection (e), claims for collection of tax~~
 8 liabilities of other states shall have last priority according to the
 9 time of filing with the director under K.S.A. 75-6208, and amend-
 0 ments thereto.

(e)

(d)

1 Sec. 11. K.S.A. 75-6212 is hereby amended to read as follows:
 2 75-6212. (a) Notwithstanding any provision of law prohibiting dis-
 3 closure by the department of revenue of the contents of taxpayer
 4 records or information and notwithstanding any confidentiality statute
 5 of any state agency, ~~foreign state agency or municipality~~, all infor-
 6 mation exchanged among the department of revenue, any other state
 7 agency, ~~foreign state agency or municipality~~ and the debtor necessary
 8 to accomplish and effectuate the intent of this act is lawful.

[judicial district of this state
or clerk thereof,

9 (b) The information obtained by any other state agency, ~~foreign~~
 0 state agency or municipality from the department of revenue in
 accordance with the exemption authorized by subsection (a) shall
 only be used by such other state agency, ~~foreign state agency or~~
 municipality in the pursuit of its debt collection duties and practices.

1 Any person employed by, or formerly employed by, a state agency
2 other than the department of revenue, *who is employed, or formerly*
3 *employed by a foreign state agency or municipality, and* who receives
4 information subject to the provisions of K.S.A. 79-3234 and amend-
5 ments thereto, or other information designated by law as confidential,
6 shall be subject to the same duty of confidentiality with respect to
7 such confidential information imposed by law on officers and em-
8 ployees of the state agency, *foreign state agency or municipality*
9 *from which such information was obtained and shall be subject to*
10 *any civil or criminal penalties imposed by law for violations of such*
11 *duty of confidentiality.*

judicial district of this state
or the clerk thereof,

12 Sec. 12. K.S.A. 75-6214 is hereby amended to read as follows:
13 75-6214. (a) Upon written request to the director, any debtor against
14 whom setoff has been effected may have a hearing thereon if:

15 (1) The debtor alleges that either such debtor did not receive
16 actual notice of the right to request a hearing thereon or that the
17 debtor did not use the opportunity for a hearing;

18 (2) less than two years have elapsed since the setoff was effected;
19 and

20 (3) the debtor alleges that the setoff was improper.

21 (b) Hearings under this section shall be conducted in accordance
22 with the provisions of the Kansas administrative procedure act. Or-
23 ders resulting from hearings under this section shall not be subject
24 to administrative review. If it is determined that the setoff was
25 improper, the debtor shall be entitled to a refund of the sum im-
26 properly setoff. The director of accounts and reports shall cause such
27 refund to be paid from the fund or funds of *any state agency to*
28 *which the amounts which were setoff were credited. In the case of*
29 *a foreign state agency or municipality, the director shall direct a*
30 *refund of the amount improperly setoff.* The amount of any such
31 refund shall be in addition to and shall not be included in computing
32 expenditures credited against any expenditure limitation imposed on
33 any such fund.

judicial district of this state
or the clerk thereof,

34 Sec. 13. K.S.A. 75-6201, 75-6202, 75-6203, 75-6204, 75-6205, 75-
35 6206, 75-6207, 75-6210, 75-6211, 75-6212 and 75-6214 are hereby
36 repealed.

37 Sec. 14. This act shall take effect and be in force from and after
38 its publication in the statute book.

SENATE BILL No. 130

By Committee on Local Government

1-29

AN ACT concerning setoff against debtors of the state and municipalities therein; authorizing reciprocal agreements with other states to allow the setoff of tax liabilities of other states; amending K.S.A. 75-6201, 75-6202, 75-6203, 75-6204, 75-6205, 75-6206, 75-6207, 75-6210, 75-6211, 75-6212 and 75-6214 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. The secretary of revenue and the director of accounts and reports are hereby authorized to enter into reciprocal agreements with other states to allow the setoff of ~~delinquent taxes~~ owed to such other states pursuant to K.S.A. 75-6201 *et seq.*, and amendments thereto.

debts

Sec. 2. K.S.A. 75-6201 is hereby amended to read as follows: 75-6201. The purpose of this act is to establish as policy that state agencies shall cooperate in identifying debtors who owe money to the state, *a foreign state agency and any municipality* and that procedures be established for setting off against debtors the sum of any debt owed to the state, *a foreign state agency or any municipality*.

Sec. 3. K.S.A. 75-6202 is hereby amended to read as follows: 75-6202. As used in this act:

(a) "Debtor" means any person who:

(1) Owes a debt to the state of Kansas or any state agency *or any municipality; or*

(2) owes support to an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756 and amendments thereto or under part D of title IV of the federal social security act (42 U.S.C. § 651 *et seq.*), as amended; *or*

(3) ~~owes unpaid taxes to any state which has entered into a reciprocal agreement pursuant to section 1.~~

a debt to a foreign state agency

(b) "Debt" means:

(1) Any liquidated sum due and owing to the state of Kansas, ~~any judicial district of this state or the clerk thereof,~~ or any state agency which has accrued through contract, subrogation, tort, op-

, municipality or foreign state agency

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eration of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum; or

(2) any amount of support due and owing an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756 and amendments thereto or under part D of title IV of the federal social security act (42 U.S.C. § 651 *et seq.*), as amended, which amount shall be considered a debt due and owing the department of social and rehabilitation services for the purposes of this act;

(3) ~~in the case of a municipality, a liquidated sum due and owing to the municipality; or~~

~~(4) any amount of unpaid taxes owed to any state which has entered into a reciprocal agreement pursuant to section 1.~~

(c) "Refund" means any amount of Kansas income tax refund due to any person as a result of an overpayment of tax, and for this purpose, a refund due to a husband and wife resulting from a joint return shall be considered to be separately owned by each individual in the proportion of each such spouse's contribution to income, as the term "contribution to income" is defined by rules and regulations of the secretary of revenue.

(d) "Net proceeds collected" means gross proceeds collected through final setoff against a debtor's earnings, refund or other payment due from the state or any state agency minus any collection assistance fee charged by the director of accounts and reports of the department of administration.

(e) "State agency" means any state office, officer, department, board, commission, institution, bureau, agency or authority or any division or unit thereof.

(f) "Person" means an individual, proprietorship, partnership, limited partnership, association, trust, estate, business trust, corporation, other entity or a governmental agency, unit or subdivision.

(g) "Director" means the director of accounts and reports of the department of administration.

(h) "Municipality" means any municipality as defined by K.S.A. 75-1117, and amendments thereto.

(i) "Payor agency" means any state agency which holds money for, or owes money to, a debtor.

(j) "Foreign state agency" means any state or agency of a state which has entered into a reciprocal agreement pursuant to section 1.

Sec. 4. K.S.A. 75-6203 is hereby amended to read as follows:
75-6203. (a) The collection remedy under this act is in addition to and not in substitution for any other remedy available by law.

any liquidated sum due and owing to a foreign state agency

and any judicial district of this state or the clerk thereof

8-2

8-3

(b) Each state agency ~~shall~~, *foreign state agency and municipality*, whenever possible, *shall* obtain the full name, social security number, address and any other information required by the director of accounts and reports from any person for whom the state agency, *foreign state agency or municipality* provides any service or with whom the state agency, *foreign state agency or municipality* transacts any business and who may become a debtor under this act.

(c) Except for debts for which a voluntary agreement for payment has been entered into and is being complied with or debts for which garnishment or other judicial proceedings are pending and except as otherwise directed by the secretary of administration, the director may require any state agency to certify all debts owed to the state agency or to certify all such debts in specified categories of debts, for setoff under K.S.A. 75-6204, *and amendments thereto*. Any state agency required to certify debts under this subsection shall give the director all information relating to such debts as may be requested by the director.

(d) The secretary of administration as provided in K.S.A. 75-3706 and amendments thereto may adopt rules and regulations necessary to carry out the provisions of this act.

(e) The secretary of revenue may adopt rules and regulations defining the term "contribution of income" for the purposes of this act.

Sec. 5. K.S.A. 75-6204 is hereby amended to read as follows: 75-6204. (a) Subject to the limitations provided in this act, if a debtor fails to pay to the state of Kansas or any state agency, *foreign state agency or a municipality* an amount owed, the director may setoff such amount against any money held for, or any money owed to, such debtor by the state or any state agency.

(b) ~~The director may enter into an agreement with a municipality, judicial district of this state or the clerk thereof for participation in the setoff program for the purpose of assisting in the collection of a debt as defined by paragraph (3) of subsection (b) of K.S.A. 75-6202, and amendments thereto.~~ ✓ ✓

Sec. 6. K.S.A. 75-6205 is hereby amended to read as follows: 75-6205. (a) The director shall not effect final setoff and collect debts through use of the remedy established under this act unless the debt is equal to or greater than \$25.

(b) The use of setoff against earnings of a debtor shall be subject to the same dollar limitations and dollar restrictions as are provided by law for wage garnishment. The maximum amount of the disposable earnings of an individual which will be subject to setoff to enforce any order for the support of any person shall not exceed 50% of the

shall be: (1) The debtor; (2) the state agency, *foreign state agency or municipality* which requested assistance in collecting the debt or which certified the debt; and (3) any party the district court permits to intervene in the action. Applications for a stay or other temporary remedies shall be to the state agency described in subsection (e)(2) *district court*.

Sec. 9. K.S.A. 75-6210 is hereby amended to read as follows: 75-6210. (a) Upon completion of a setoff transaction, the director shall transfer the net proceeds collected to the account or fund of the ~~officer or agency~~ *state agency, foreign state agency or municipality* to which the debt was owed.

(b) From the gross proceeds collected by the director through setoff, the director shall retain a reasonable collection assistance fee of not to exceed 15% *for a state agency*, except that in the case of transactions for collection of debts arising from the employment security law such fee shall not exceed \$300 for any transaction. *The director shall retain a reasonable collection assistance fee from the gross proceeds of collections through setoff on behalf of a municipality in such amount as the municipality and the director shall agree. The director shall retain a reasonable collection assistance fee from the gross proceeds of collections through setoff on behalf of a foreign state agency in such amount as specified in the reciprocal agreement entered into pursuant to section 1.* The director may credit a portion of the collection assistance fee to the appropriate account or fund of any other state agency that has incurred expenses in assisting in the collection of the debt. The amount of the collection assistance fee retained by the director shall be deposited in the state treasury and credited to the accounting services recovery fund.

(c) Upon receipt by the *agency state agency, foreign state agency or municipality* of the net proceeds collected, the *agency state agency, foreign state agency or municipality* shall credit the debtor's obligation in the amount of the gross proceeds collected.

(d) Except as otherwise prescribed by the director or the secretary of administration, any state agency, *foreign state agency or municipality* which receives any payment from a debtor after notification to the debtor under K.S.A. 75-6206 and amendments thereto, other than payments collected pursuant to K.S.A. 44-718 and amendments thereto or collected through the federal government or judicial process, shall remit the collection assistance fee imposed under subsection (b) to the director which shall be credited to the accounting services recovery fund. If a state agency fails to remit the collection assistance fee as required by this subsection, the director may transfer an amount equal to such collection assistance fee from the ap-

or

1 appropriate account or fund of the state agency to the accounting
2 services recovery fund. *If a foreign state agency or municipality fails*
3 *to remit the collection assistance fee as required by this subsection,*
4 *the director may seek collection of such fee in such manner as may*
5 *be allowed by law.*

6 (e) In cases involving the collection of debts arising from the
7 employment security law, the entire amount collected shall be cred-
8 ited to the employment security fund and the collection assistance
9 fee shall be transferred from the special employment security fund
10 to the accounting services recovery fund.

11 Sec. 10. K.S.A. 75-6211 is hereby amended to read as follows:
12 75-6211. The priority in multiple claims by state agencies, *foreign*
13 *state agencies and municipalities* for setoff under the provisions of
14 this act shall be according to the time of filing with the director
15 under K.S.A. 75-6208. Notwithstanding the priority established
16 in this section, collection of taxes shall have priority over other
17 claims for collection by the setoff procedure. *following priority*
18 *of claims:*

19 (a) Collection of taxes owed to agencies of the state of Kansas;

20 (b) claims for collection of intrastate and interstate child support
21 debts;

22 (c) claims for collection of debts which have been written off by
23 assignment to the director;

24 ~~(d) claims for collection of debts owed municipalities;~~

25 ~~(e) other claims according to the time of filing with the director~~
26 ~~under K.S.A. 75-6208 and amendments thereto; and~~

27 ~~(f) notwithstanding subsection (e), claims for collection of tax~~
28 ~~liabilities of other states shall have last priority according to the~~
29 ~~time of filing with the director under K.S.A. 75-6208, and amend-~~
30 ~~ments thereto.~~

31 Sec. 11. K.S.A. 75-6212 is hereby amended to read as follows:
32 75-6212. (a) Notwithstanding any provision of law prohibiting dis-
33 closure by the department of revenue of the contents of taxpayer
34 records or information and notwithstanding any confidentiality statute
35 of any state agency, *foreign state agency or municipality*, all infor-
36 mation exchanged among the department of revenue, any other state
37 agency, *foreign state agency or municipality* and the debtor necessary
38 to accomplish and effectuate the intent of this act is lawful.

39 (b) The information obtained by any other state agency, *foreign*
40 *state agency or municipality* from the department of revenue in
41 accordance with the exemption authorized by subsection (a) shall
42 only be used by such other state agency, *foreign state agency or*
43 *municipality* in the pursuit of its debt collection duties and practices.

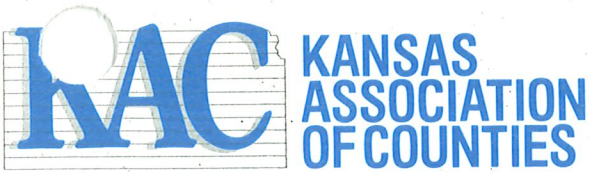
(d)

(e)

(d)

*Municipality debts would be
on even playing field +
not above all state agencies*

5-8



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Executive Director

John T. Torbert, CAE

February 4, 1993

Testimony

To: Senate Local Government Committee

From: John T. Torbert, CAE
Executive Director

Subject: Senate Bill 130

The Kansas Association of Counties is in support of Senate Bill 130. This legislation would allow cities and counties to participate in the state setoff program.

The legislation is not mandatory upon local government because the city or county would have the ability to chose whether or nor they wanted to participate in the program. The setoff program has been successful at the state level and there is no reason why it could not work equally as well at the city and county level. Any program that will assist us in collecting monies that are owed to us will mean that property taxes don't have to go up as much to fund local government services and programs.

The KAC urges your support of SB 130.

Senate Local Gov't

2-9-93

Attachment 9