

MINUTES OF THE HOUSE JUDICIARY COMMITTEE

The meeting was called to order by Chairman Lance Kinzer at 3:30 p.m. on March 9, 2011, in Room 346-S of the Capitol.

All members were present except:  
Representative Ward

Committee staff present:  
Jill Wolters, Office of the Revisor of Statutes  
Matt Sterling, Office of the Revisor of Statutes  
Tamera Lawrence, Office of the Revisor of Statutes  
Lauren Douglass, Kansas Legislative Research Department  
Robert Allison-Gallimore, Kansas Legislative Research Department  
Sue VonFeldt, Committee Assistant

Conferees appearing before the Committee:  
Tim O'Sullivan, Kansas Bar Association  
Helen Pedigo, Special Counsel to Chief Justice  
Larry Baer, Assistant General Council, League of Municipalities  
Debbie Poire, Clerk of District Court, Coffey County  
Douglas E. Smith, Kansas Credit Attorneys Association

Others attending:  
See attached list.

**HB 2087 - Concerning the protection of rights granted under the constitution**

Representative Ryckman made the motion to pass HB 2087 favorably. Representative Osterman seconded the motion.

Representative Rubin made the substitute motion to amend to insert the word "foreign" on page 1, line 19 and page 2, line 5 to read "any foreign law", and on page 1, line 23 to read "a foreign law", and on page 1, line 27 to read "the foreign law". Representative Osterman seconded the motion. Motion carried.

Representative Ryckman made the motion to pass HB 2087 favorably as amended. Representative Osterman seconded the motion. Motion carried.

The Hearing on SB 97 - Concerning courts; relating to court fees and costs; relating to the judicial branch surcharge fund was opened.

Matt Sterling, Assistant Revisor of Statutes, provided an overview for the committee. (Attachment 1)

Helen Pedigo, Special Counsel to Chief Justice, addressed the committee in support of the bill, which would strike the sunset on the Judicial Branch Surcharge, which is currently scheduled to end June 30, 2011. She explained the history of the surcharge and that the surcharge is a method through which additional fees can be generated, for the specified time period, and will take the place of State General Fund financing for the Judicial Branch. She also stated the original bill provided for a June 30, 2012 sunset, however the Senate Judiciary Committee struck the sunset in its entirety. (Attachment 2)

Joseph Molina, Kansas Bar Association provided written only testimony in support of the bill. (Attachment 3)

Douglas E. Smith, Kansas Credit Attorneys Association, provided written only testimony in opposition of the bill. (Attachment 4)

The hearing on **SB 97** was closed.

The Hearing on **SB 36 - Exemption from creditors for assets held in qualified retirement plans and regular and Roth individual retirement accounts** was opened.

## CONTINUATION SHEET

Minutes of the House Judiciary Committee at 3:30 p.m. on March 9, 2011 in Room 346-S.

Tamera Lawrence, Assistant Revisor of Statutes, provided an overview for the committee.

Tim O'Sullivan, on behalf of the Kansas Bar Association (KBA), addressed the committee in support of the bill which amends K.S.A. 60-2308. He stated the bill was proposed by the KBA Real Property, Probate and Trustee Section, approved by the KBA Legislative Committee, and then subsequently approved by the KBA Board of Governors. He provided further explanation of the bill that would update the exemptions from creditors provided for individual retirement accounts or account plans to include plans added to the federal Internal Revenue Code since the exemptions were originally enacted. The bill would clarify that inherited retirement accounts are also exempt from creditors. The bill also would make technical amendments to clarify references to the federal Internal Revenue Code. ([Attachment 5](#))

There were no opponents.

The hearing on **SB 36** was closed.

Vice-Chair Patton took over the meeting as Chairman Kinzer excused himself to attend another appointment.

The Hearing on **SB 79 - Requiring the debt set-off collection assistance fee to be an additional cost to all debts owed to the court** was opened.

Tamera Lawrence, Assistant Revisor of Statutes, provided an overview for the committee.

Doug Smith, presented testimony on behalf of John Miller, Norton County Commissioner and President of Kansas Legislative Policy Group (KLPG), in support of the bill and also offered an amendment to the bill. ([Attachment 6](#))

Debbie Poire, Clerk of District Court, Coffey County District Court, addressed the committee in support of the bill on behalf of the Kansas Association of District Court Clerks and Administrators (KADCCA), with the amendment to provide that the debt set-off collection assistance fee be paid as an additional cost for all debts owed to the court when a debt set-off procedure is utilized. She stated under the current law, the 17 percent debt set-off collection assistance fee is paid from the amount collected, making the amount remitted to the court 17 percent less than the debt owed. She stated the KADCCA asks that the debt set-off collection assistance fee be identical to the debt collection fee authorized in K.S.A. 75-719, which is "the cost of collection shall be paid from the amount collected, but shall not be deducted from the debts owed to the courts or restitution. ([Attachment 7](#))

Larry Baer, Assistant General Council, League of Municipalities, provided testimony in support of the bill. ([Attachment 8](#))

There were no opponents.

The hearing on **SB 79** was closed.

The next meeting is scheduled for March 10, 2011.

The meeting was adjourned at 5:15 p.m.

## JUDICIARY COMMITTEE GUEST LIST

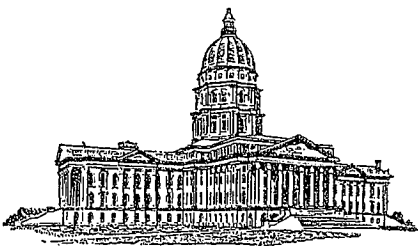
DATE: 3-9-11

[illegible]

MARY ANN TORRENCE, ATTORNEY  
REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY  
FIRST ASSISTANT REVISOR

GORDON L. SELF, ATTORNEY  
FIRST ASSISTANT REVISOR



OFFICE OF REVISOR OF STATUTES  
KANSAS LEGISLATURE

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MEMORANDUM

To: Chairman Kinzer and members of the House Judiciary Committee  
From: Matt Sterling, Assistant Revisor of Statutes  
Date: March 9, 2011  
Subject: Senate Bill 97

As introduced, SB 97 amended various docket fee statutes to extend the judicial branch surcharge, scheduled to expire July 1, 2011, through July 1, 2012. The Senate amended the bill to remove the sunset and make the surcharge permanent. The bill would not change the amount of the surcharge. Most of the statutes have a \$17.50 surcharge, but expungements have a \$15 surcharge and the surcharge for a marriage license is \$21.

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## SUPREME COURT OF KANSAS

KANSAS JUDICIAL CENTER

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HELEN PEDIGO  
SPECIAL COUNSEL  
TO CHIEF JUSTICE

### HOUSE JUDICIARY COMMITTEE

Honorable Representative Lance Kinzer, Chair

Testimony in Support of

SB 97 Judicial Branch Surcharge Extension

March 9, 2011

Thank you for the opportunity to testify in support of SB 97, which would strike the sunset on the Judicial Branch Surcharge, which is currently scheduled to end June 30, 2011.

Both the statutes regarding the surcharge and the order authorizing the surcharge are effective only to the end of the present fiscal year. The Division of Budget requested that the surcharge be included in the Judicial Branch FY 2012 budget request, although it is set to expire at the end of FY 2011. We complied with that request. For FY 2012, \$9 million in surcharge revenue is included in the budget submitted for the Legislature's consideration.

Enactment of SB 97 would allow the surcharge to remain in effect, helping to fund the court system. Even with the surcharge, the Judicial Branch will continue holding 75 – 80 positions open throughout FY 2011 and FY 2012.

The 2009 Legislature considered a \$10 Judicial Branch Surcharge as a way to provide funding for the Judicial Branch budget, which was significantly underfunded. 2009 SB 66 authorized the Supreme Court to impose an additional charge, not to exceed \$10, on specified docket and other fees, to fund the cost of nonjudicial personnel. 2009 SB 66 also created the Judicial Branch Surcharge Fund, into which surcharge amounts are deposited.

The 2010 legislature, in HB 2476, increased surcharge amounts to a range of between \$10 and \$17.50, effective July 1, 2010. The Judicial Branch Emergency Surcharge was a fee that was charged in addition to the statutory docket fee when cases were filed. The revenue generated from the Emergency Surcharge kept Kansas courts open and operating. The Emergency Surcharge was in effect April 1, 2002, through fiscal year 2006. At that time, the state's fiscal situation had improved and the Legislature was able to fully fund the courts. Therefore, during the 2006 legislative session SB 180 was enacted, which stated that docket fees would be set by the Legislature and no other fee would be charged. Given the fiscal crisis the state is experiencing, the 2009 and 2010 Legislatures revisited the idea of a surcharge, enacting

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09 SB 66, and 2010 HB 2476, which contains the current surcharge. The surcharge allows the Legislature to use funds that otherwise would be appropriated to the Judicial Branch for other necessary expenditures, while helping to keep the courts open and functioning. The Court does not view the surcharge authority as permission to increase fees to fund enhancements or even operations when they choose. It is viewed as a temporary stopgap measure to react to severe underfunding. The Legislature is the appropriating body, and should remain so. The surcharge is a method through which additional fees can be generated that, for the specified time period, will take the place of State General Fund financing for the Judicial Branch.

The original bill provided a June 30, 2012 sunset. Senate Judiciary Committee struck the sunset in its entirety. The Senate voted 30 – 9 in favor of the bill. We ask for this committee's favorable consideration of this bill. Thank you again for the opportunity to testify in support of SB 97, and I would be happy to answer your questions.



**KANSAS BAR  
ASSOCIATION**

**TO:**           **The Honorable Lance Kinzer**  
                  And Members of the House Judiciary Committee

**FROM:**       **Joseph N. Molina**  
                  On Behalf of the Kansas Bar Association

**RE:**           **SB 97 – Extending the Judicial Branch surcharge fee**

**DATE:**       **March 9, 2011**

Good afternoon Chairman Kinzer and Members of the House Judiciary Committee. I am Joseph Molina and I submit this written testimony on behalf of the Kansas Bar Association in support of SB 97 which would extend the current judicial branch surcharge fee till June 30, 2012.

The KBA is acutely aware of the inadequate funding of most governmental agencies and institutions, and it is especially conscious of the continuing struggles facing the Judicial Branch. An adequately funded court system ensures a citizen's right to meaningful access to the courts. A properly funded judicial system also allows for the efficient application of the legal process for lawyers and litigants. If the surcharge fee is allowed to sunset on June 30, 2011, the judicial branch could suffer a significant financial hardship and in turn subject Kansans to an inefficient court system.

The KBA recognizes and appreciates the steps taken by our Judicial Branch to deal with their fiscal situation. The Judicial branch continues to show sound fiscal discipline by continuing measures designed to weather difficult financial times. The Judicial Branch continues with a hiring freeze from last year, reducing travel and instituted other efficiencies throughout the court system. The additional money generated from last year's surcharge fee increase is one of the steps used by the Judicial Branch. However, to maintain the level of stability created from past budget saving measures the surcharge fee needs to be maintained. By extending the surcharge fee for an additional year the Judicial Branch will avoid another round of furloughs to non-judicial personnel.

On behalf of the Kansas Bar Association, I thank you for your time this morning and would be available to respond to questions.

*About the Kansas Bar Association:*

The Kansas Bar Association (KBA) was founded in 1882 as a voluntary association for dedicated legal professionals and has more than 7,200 members, including lawyers, judges, law students, and paralegals. [www.ksbar.org](http://www.ksbar.org)

House Judiciary  
Date 3-09-11  
Attachment # 3

**KANSAS CREDIT ATTORNEYS ASSOCIATION**  
**REMARKS CONCERNING SENATE BILL NO. 97**  
**HOUSE JUDICIARY COMMITTEE**

**March 9, 2011**

Chairman Kinzer and Members of the House Judiciary Committee:

Thank you for the opportunity to present remarks regarding Senate Bill No. 97 on behalf of the Kansas Credit Attorneys Association. The Kansas Credit Attorneys Association (KCAA) is a statewide organization of attorneys, representing law firms, whose practice includes considerable collection work in Kansas.

In its original form Senate Bill No. 97 would have extended the Judicial Branch's authority to impose a surcharge to fund non-judicial personnel for one more year through June 30, 2012. The Senate committee removed the sunset language in the bill so the surcharge will remain in effect until changed by the legislature.

We understand, given the current budget issues in Kansas, the need to retain the funding for Court operations. However, we believe that scheduled periodic reviews of the surcharge authority are appropriation and ask that you consider reinserting sunset language, not necessarily annual sunsets, to insure a regular assessment of its effectiveness and continued need.

Thank you for your time and consideration.

Douglas E. Smith  
For the Kansas Credit Attorneys Association





**KANSAS BAR  
ASSOCIATION**

**TO:**           **The Honorable Lance Kinzer**  
                  And Members of the House Judiciary Committee

**FROM:**       **Tim O'Sullivan**  
                  On Behalf of the Kansas Bar Association

**RE:**           **SB 36 – Amending K.S.A. 60-2308**

**DATE:**       **March 9, 2011**

Chairman Kinzer and Members of the House Judiciary Committee:

I am Tim O'Sullivan. I am appearing on behalf of the Kansas Bar Association (KBA) in support of SB 36 (the Bill), which amends K.S.A. 60-2308. The Bill was proposed by the KBA Real Property, Probate and Trust Section, approved by the KBA Legislative Committee and then subsequently approved by the KBA Board of Governors.

K.S.A. 60-2308, which has been in effect for decades, exempts any money or other assets payable to a participant or beneficiary from, or any interest of an owner or participant in, a Qualified Retirement Plan (QRP) or Individual Retirement Account (IRA) from the claims of creditors of any participant or beneficiary. It makes no distinction as to whether the beneficiary of the QRP or IRA was the original participant in the QRP or the original owner of the IRA. Such exemptions have a parallel exemption from creditors under federal statutes. Debtors in bankruptcy are free to claim the exemptions either under federal law or state law. Normally, Kansas debtors elect to take the exemptions under state law, which are more generous than those under federal law, viz., the Kansas homestead and life insurance exemptions.

From a less substantive standpoint, the Bill updates the statutory references to QRP and IRA statutes, which have been modified over the years, to include Internal Revenue Code Sections 501(a), regarding tax exempt organizations, and 457(b), regarding qualified deferred compensation plans for state and local governmental entities. It also improves its language and references.

From a more substantive standpoint, the language of the Bill makes it quite clear that such exemption not only applies to the original owner and participant of QRPs or IRAs, but also subsequent beneficiaries as well. This would include creditors of individuals who are the named beneficiaries of QRPs or IRAs, succeeding to the interest of the original owner or participant upon his or her death. As noted above, there is no distinction in the literal wording of the statute in this regard.

Nonetheless, some cases, most notably bankruptcy cases, have concluded, solely from the fact that the minimum distribution requirements from QRPs or IRAs under separate federal statutes are different with

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regard to the original owner or participant and the beneficiary of the QRP or IRA, that the exemption was not meant to apply to any person other than the original owner or participant. See, e.g., *In re Chilton*, \_\_\_ B.R., No. 08-43414, 426 B.R. 612, 2010 Bankr. LEXIS 838, 2010 WL 817331 (Bankr. E.D. Tex. Mar. 5, 2010; *In re Navarre*, 332 B.R. 24 (Bankr. M.D. Ala. 2004; *Sims*, 241 Bankr. 467 (Bankr. N.D. Okla. 1999).

The Kansas case of *Commerce Bank, N.A. v. Bolander*, 44 Kan. App. 2d 1 (2007), which found that the assets in an IRA paid to the Trustee of the Revocable Trust of the owner were liable for the debts of the decedent, cited the last two aforementioned bankruptcy cases favorably in concluding that "the federal bankruptcy code makes a distinction between an IRA beneficiary and an inherited IRA beneficiary" regarding its exemption from creditors, despite there being no such language in the governing federal statute. Such conclusion was not critical to the result, for the court also concluded that provisions of the Kansas Uniform Trust Code (K.S.A. 58a-505) delineating that assets in a revocable trust remain subject to the claims of the settlor's creditors post-death subjected the IRA to the claims of the settlor's creditors following the settlor's death. Interestingly enough, the court did not even cite K.S.A. 60-2308, which clearly applied to the situation, let alone attempt to compare it to the federal statute.

In any event, the most recent bankruptcy decision found on this issue, *In re: Nessa*, 2010 Bankr. Lexis 931 (B.A.P. 8<sup>th</sup> Cir. April 9, 2010), an appellate decision carrying much greater weight than the three above cited lower court bankruptcy decisions, had a much more cogent analysis of the issue. The court correctly noted that there is nothing in the federal exemption laws that treat a beneficiary of an IRA who was not the original owner differently in terms of the creditor exemption. The court stated that "It is irrelevant whether a traditional IRA and an inherited IRA have different rules regarding minimum required distributions." In either case, the court noted that the assets are held in an IRA, which is all that is required for the exemption to apply. The same is true with regard to the literal wording of the Kansas exemption statutes regarding QRPs and IRAs, which are indistinguishable from the federal statutes in this respect.

In sum, the above cited lower court bankruptcy decisions, and the Kansas Court of Appeals which cited them favorably in the *Bolander* decision, were misguided and clearly erroneous. Normal rules of statutory construction dictate that courts follow the plain wording of statutes unless there is a clear indication of legislative intent to the contrary. There is no such clearly evinced contrary legislative intent, either under federal or state law, regarding this issue.

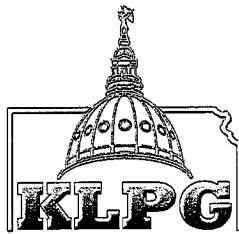
SB 36 will clarify Kansas law to make it consonant with the literal wording of the statute, the most persuasive federal law on this issue, what most knowledgeable attorneys on this issue long believed to be the case, and what the KBA believes was the intent of the legislature when it was originally enacted.

We respectfully ask that you give it your support.

On behalf of the Kansas Bar Association, I thank you for your time this morning and would be available to respond to questions.

*About the Kansas Bar Association:*

The Kansas Bar Association (KBA) was founded in 1882 as a voluntary association for dedicated legal professionals and has more than 7,200 members, including lawyers, judges, law students, and paralegals. [www.ksbar.org](http://www.ksbar.org)



Presented by:  
Doug Smith

**Testimony of John Miller, Norton County Commissioner  
President of Kansas Legislative Policy Group  
Before the House Judiciary Committee  
RE: Senate Bill No. 79  
March 9, 2011**

Dear Chairman Kinzer and Members of the Committee:

The Kansas Legislative Policy Group (KLPG) is pleased to provide testimony in support of Senate Bill No. 79. KLPG is a bi-partisan, non-profit corporation comprised of elected commissioners from 30 western Kansas counties.

I would like to submit the attached amendment for the Committee to consider. The Supplemental Note for Senate Bill No. 79 indicates a positive financial impact to the Courts by making the collection assistance fee an additional cost, rather than an amount deducted from the debt owed. I believe that other Kansas governmental agencies and entities could utilize the equal financial benefit. The proposed amendment is intended to extend this privilege to "State Agencies" and "municipalities" defined in KSA 75-6202.

According to the Department of Administration, the account set off program for FY 2010 collected about \$7 million for municipalities and charged a collection assistance fee of 18.4%. Resulting in \$1,288,000 being deleted from the proceeds and paid to the Department of Administration. We only seek to have this collection assistance fee included in the set off amount collected, not deducted from the proceeds.

**We encourage this Committee to favorably consider the amendment to Senate Bill No. 79.**

**Thank you for your consideration and the opportunity to present these remarks.**

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SENATE BILL No. 79

By Committee on Judiciary

1-31

6-2

AN ACT concerning setoff against debtors of the state; amending K.S.A. 2010 Supp. 75-6210 and repealing the existing section.

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

Section 1. K.S.A. 2010 Supp. 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 state agency, foreign state agency or municipality to which the debt was owed.

(b) (1) From the gross proceeds collected by the director through setoff, the director shall retain a reasonable collection assistance fee in an amount based on cost, as determined by generally accepted cost allocation techniques, 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.

(2) The director shall retain a reasonable collection assistance fee from the gross proceeds of collections through setoff on behalf of a municipality as specified in an agreement entered into pursuant to K.S.A. 75-6204, and amendments thereto, or foreign state agency in such amount as specified in the reciprocal agreement entered into pursuant to K.S.A. 75-6215, and amendments thereto. [collected]

(3) The collection assistance fee shall be paid as an additional cost for all debts owed to the court when the court utilizes debt setoff procedures pursuant to K.S.A. 75-6202 et seq., and amendments thereto. [a state agency or municipality]  
The collection assistance fee shall be retained from the amount collected, [state agency or municipality]  
but shall not be deducted from the debts owed to the court. [by the director]

(4) 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. [state agency or municipality]

(5) The amount of the collection assistance fee retained by the director shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the accounting services recovery fund.

(c) Upon receipt by the state agency, foreign state agency or municipality of the net proceeds collected, the state agency, foreign state

## **KSA 75-6202**

"State agency" means any state office, officer, department, board, commission, institution, bureau, agency or authority or any division or unit thereof and any judicial district of this state or the clerk or clerks thereof. "State agency" also shall include any district court utilizing collection services pursuant to K.S.A. 75-719, and amendments thereto, to collect debts owed to such court.

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

## **KSA 75-1117**

**Municipality defined.** As used in this act, unless the context otherwise requires, "municipality" means any county, township, city, municipal university, unified school district, library district, improvement district, drainage district, cemetery district, industrial district, irrigation district, park and recreation district, conservation district, extension council, airport or building authority, fire district, lighting district, park district, sewer district, watershed district, community junior college, groundwater management district, rural water district, zoning board, municipal energy agency or intergovernmental or joint agency, including all boards, commissions, committees, bureaus and departments of such municipalities charged with the management or administration of recreation activities, parks, hospitals, libraries, cemeteries, pensions, public improvements or any other public activities maintained or subsidized with public funds and any municipally owned or operated utility, firemen's relief association, or public or quasi-public corporation entitled to receive and hold public moneys pursuant to any provision of state law authorizing such public or quasi-public corporation to collect or receive such public moneys.

*Kathleen Collins, President*

*Wyandotte County  
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*Tiffany Gillespie,  
President-Elect  
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HOUSE JUDICIARY COMMITTEE  
The Honorable Representative Lance Kinzer, Chair  
  
TESTIMONY IN SUPPORT OF SENATE BILL 79  
Debt Set-off Collection Fee

By: Deborah Poire, Clerk of District Court  
Coffey County District Court  
Fourth Judicial District of Kansas  
March 9, 2011

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before you today on behalf of the Kansas Association of District Court Clerks and Administrators (KADCCA) regarding Senate Bill 79.

KADCCA is asking to amend K.S.A. 75-6210 to provide that the debt set-off collection assistance fee be paid as an additional cost for all debts owed to the court when a debt set-off procedure is utilized. Under current law, the 17 percent debt setoff collection assistance fee is paid from the amount collected, making the amount remitted to the court 17 percent less than the debt owed.

KADCCA would ask that the debt setoff collection assistance fee be identical to the debt collection fee authorized in K.S.A. 75-719, which is: "the cost of collection shall be paid from the amount collected, but shall not be deducted from the debts owed to the courts or restitution."

Senate Bill 79 was adopted by the Senate with a vote of 39 – 0. We request your favorable action on this bill. Thank you for your time and I'd be happy to answer questions.

---

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*Teresa Lueth, Treasurer  
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Date: March 9, 2011  
To: House Judiciary Committee  
From: Larry R. Baer  
Assistant General Counsel  
Re: SB 79  
Testimony in Support

Thank you for allowing me to appear before you today on behalf of the League of Kansas Municipalities and its member cities and comment upon SB 79 and testify in support of the proposed amendments.

SB 79, as it comes to you from the House, would amend the state debt setoff law to provide that the collection assistance fee for all debts owed to a district court shall be paid by the debtor as an additional cost, rather than deducted from the debts owed the court. State setoff law allows state agencies, foreign state agencies and municipalities, including cities and counties, to seek setoff of debts owed to the agency, city, county, etc, to be setoff against any monies owed to the debtor by the state. An example would be a setoff against a debtor's state income tax refund.

We encourage our member cities to participate in the debt setoff plan. It provides them with another means of collecting debts owed them. Presently, and under SB 79 as it comes to you, cities do not have the authority to recover the collection assistance fee that the Department of Administration is allowed to retain on successful collections. The amendments that have been presented to the committee would give cities and counties the same authority as that being sought by district courts. In other words, the full amount of the debt plus the cost of collection would be subject to collection from the debtor.

Currently, when a city uses the setoff program it is only receiving about 80% of the amount due it. The Department of Administration retains the balance as its collection fee. This means that taxpayers are subsidizing the payment of the debtor's bill to the city. This is not fair to taxpayers. In this time when all governments are looking at ways to reduce or at least minimize taxes, the use of fees to cover the cost of providing services is common. Passing the cost of collection on to the debtor is sound public policy. It requires the person for whom the expense was incurred to pay that expense. And, it would not shift that cost to the taxpayers.

For these reasons, the League of Municipalities supports SB 79, with the amendments presented today, and asks for your support of it as well. Thank you.

House Judiciary  
Date 3-09-11  
Attachment # 3