

To: Senate Judiciary Committee
From: John Goodyear, General Counsel
Date: March 3, 2024
RE: Neutral Testimony on SB 242

I want to thank Chairwoman Warren and the members of the Committee for affording the League of Kansas Municipalities the opportunity to provide thoughts on SB 242.

SB 242 requires cities to submit any contract for legal services that employs a contingent fee structure to be reviewed and approved by the Attorney General. As a broad concept, the League is opposed to this idea as an unnecessary limit on local control and the freedom to contract. That said, we understand the position of the Attorney General's office and recognize the need at times to facilitate public interest litigation on behalf of the state. In recognition of these competing interests and in an effort to find compromise, the League has engaged with the Attorney General's Office. Through negotiations, the League has been able to address many of the concerns of our member cities. Provided these concerns are addressed with amendments, the League will be neutral on the bill as it moves forward.

We are grateful to the Attorney General's office for their willingness to work with us on this bill. Through our discussions, we have been able to refine the legislation to more directly address the concerns of their office and lessen some of the concerns of our members. Of note, we have agreed to provisions that would:

1. More narrowly define "legal services" so that it is clear that contracts for bond counsel that are conditioned on bond issuance and contracts for debt collection are not covered by the bill.
2. Shorten the time for the AG's office to review the contract from 90 days to 45 days and require immediate approval when the contract deals with matters of purely local concern.
3. Shortening the period of past agreements that would be subject to review to 2 years (prior drafts would require submission of all past contingency fee agreements).
4. Clarifying that the AG has the option to take over claims of statewide concern instead of just seeking dismissal.

There is one section of concern that, as of writing this testimony, we are still seeking amendment on. It is the belief of the League and our member cities that section (b)(2)(B)(ii) is still too broad as drafted. We hope to continue our dialogue with the Attorney General's office to better refine that section to capture all those suits that present a need for a statewide approach but preserves to localities the ability to individually pursue those claims where there is individual, specific harm that is unlikely to be remedied by a state-wide approach.

We are grateful for the opportunity to weigh in on SB 242 and would ask that this Committee adopt the amendments agreed to by conferees if this legislation is to advance to the full Senate.