



Kansas Creditor Attorney Association

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Senate Bill No. 242

Neutral Testimony

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Kansas Creditor Attorney Association

Chairwoman Warren, Vice Chairman Titus, Ranking Member Corson, and Members of the Senate Committee on Judiciary,

Thank you for the opportunity to provide testimony on SB 242 which proposes to require all contingency fee contracts for legal services executed on behalf of a political subdivision be approved by the Attorney General.

The Kansas Creditor Attorney Association is an organization of lawyers providing debt collection services to political subdivisions of Kansas under contingency contracts. Our members recover millions of dollars of unpaid debts, fees, fines, and restitution for taxpayers.

Our concern with SB 242 arises from the belief that the bill greatly underestimates the sheer magnitude of contracts that would flow to the Attorney General's office for review if enacted. The following is a list of all political subdivisions covered by SB 242 and, where easily obtained from public sources, the number of each type of political subdivision.

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| <ul style="list-style-type: none">• County (105),• Township (1,404),• City (1,891),• municipal university (1),• unified school district (287),• library district,• improvement district (90),• drainage district (75),• cemetery district (8),• industrial district (2),• irrigation district (5),• park and recreation district,• conservation district (105),• extension council,• airport authority, | <ul style="list-style-type: none">• building authority,• fire district,• lighting district,• park district,• sewer district,• watershed district (75),• community junior college (25),• groundwater management district (5),• rural water district (263),• zoning board,• municipal energy agency,• intergovernmental agency,• recreation activities,• parks, | <ul style="list-style-type: none">• hospitals (164),• libraries (439),• cemeteries,• pensions,• public improvements,• municipally operated utilities (200),• firemen's relief associations,• public/quasi-public corporations receiving or holding public money |
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Most, if not all, of these political subdivisions has a contingency fee collection contract and many have multiple contingency fee contracts let out at any time covering different types of services with the total number of contingency fee collection contracts throughout the state numbering in the thousands.

The fiscal note for this bill optimistically estimates that no additional Attorney General staff would be required to handle this significant workload and just \$5,000 for storage expenses. If this bill were to be enacted without amendment, that estimate would be crushed instantly under a mountain of contingency fee collection contracts from the thousands of political subdivisions throughout the state.

We believe that the legal services our members provide to political subdivisions, as well as the contractual arrangements for those services, are not the central focus of this legislation. A straightforward amendment to exclude contingency fee collection contracts for recovering unpaid debts, fees, fines, and restitution would address our concerns. This change would also protect the Attorney General's office from the unintended consequences of an overly broad bill.

Thank you,

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