

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2593

As Amended by House Committee on Judiciary

Brief*

HB 2593, as amended, would require any political subdivision (subdivision), as defined in continuing law, to hold an open meeting before approving a contingent fee contract for legal services, and require such contract to be approved by the Attorney General (AG) before becoming effective.

Open Meeting Notice

The bill would require the governing body of the subdivision to provide notice of an open meeting called for the purpose of considering a contingency fee contract for legal services. The notice could be provided in the subdivision's meeting agenda, and would be required to include:

- Reasons for pursuing the legal matter and desired outcome;
- Qualifications, experience, and competence of the attorney or law firm selected or being considered;
- Nature of any relationship between the subdivision and attorney or law firm;
- Reasons the legal services cannot be performed by attorneys within the subdivision;

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

- Reasons legal representation cannot be attained for an hourly rate as opposed to a contingency fee; and
- Reasons the contract is in the best interest of the residents of the subdivision.

Subdivision Findings

Before a governing body may approve a contingent fee contract for legal services, the bill would require the subdivision to make a finding in writing that:

- It is in the best interest of the residents or there is a substantial need to enter into the contract for legal services;
- The legal services cannot be adequately performed by the attorneys and personnel of the subdivision; and
- The subdivision cannot reasonably obtain legal representation at an hourly rate due to the nature of the legal matter or because the subdivision does not have the funds necessary or would pay substantially more for legal services at an hourly rate.

The governing body of the subdivision could approve the contract in an open meeting only after discussion and consideration of the above findings.

AG Approval

Before an approved contingency fee contract would be allowed to take effect, the bill would require the subdivision to receive the approval of the AG. For consideration by the AG, the subdivision would be required to provide the AG with:

- A copy of the proposed contract;
- A description of the legal matter;
- A copy of the notice and agenda, including the date such notice was issued and a description of the method used for providing the notice; and
- A copy of the written findings made by the subdivision that the legal services are needed.

The bill would then require the AG to approve or refuse the contract within 45 days of receiving the above information. The bill would require the AG to approve the contract promptly if the request involves a matter of purely local concern that does not implicate any statewide interest.

The AG would be required to provide written notice to the subdivision if a contract is refused for one of three reasons, as specified in the bill, and such notice would be required to include a detailed explanation of the reason for refusal. Reasons for refusal would include:

- The legal matter presents one or more questions of law or fact that are in common with litigation the State has already addressed or is pursuing;
- The legal matter involved claims or issues that are more appropriately within the scope of state enforcement, as determined by the AG in a written finding identifying the specific state interest at issue and how the independent pursuit of the matter by the subdivision would materially and directly interfere with such state enforcement; or
- The contract does not comply with the Kansas Rules of Professional Conduct.

The subdivision would be allowed to appeal a refusal decision by the AG to the district court and the court would be

required to perform a *de novo* review of the contract consistent with the bill's provisions.

If the AG has taken no action within 45 days, the contract would be deemed approved.

Records Confidentiality

The bill would provide that all information and records made, maintained, kept, obtained, or received by the AG under the bill would be confidential except as required or authorized by the bill. These confidentiality provisions would expire on July 1, 2031, unless the Legislature reviews and reenacts the provisions in accordance with the Kansas Open Records Act prior to July 1, 2031.

Dismissal or Intervention by AG for Non-compliance

In any judicial or quasi-judicial proceeding in which a subdivision is represented by an attorney providing non-compliant contingent fee legal services, the bill would allow the AG to appear and request dismissal or intervention and recovery of damages on behalf of the subdivision. Upon a finding that the contract is not in compliance, the court or quasi-judicial body would be required to dismiss the matter without prejudice or to allow the AG to intervene on behalf of the subdivision.

Definitions

For purposes of the bill, "legal services" would mean all services that constitute the practice of law or services performed by or under authority of a law firm or attorney, whether or not such services are performed by someone admitted to practice law in Kansas. The term would not include services performed by attorneys or other persons assisting a subdivision with:

- Services related to bonds, temporary notes, no-fund warrants, state infrastructure loans, or lease financing;
- Debt collection;
- Recouping costs and deductibles related to insurance liability;
- Property sales; or
- Enforcement of support orders.

The term “political subdivision” would not include water utilities as defined in continuing law concerning water supply and distribution districts.

Background

The bill was introduced by the House Committee on Judiciary on behalf of a representative of the Office of the Attorney General (OAG).

House Committee on Judiciary

In the House Committee hearing, **proponent** testimony was provided by representatives of the Kansas Chamber of Commerce and the OAG. The proponents generally stated the bill would promote transparency for constituents to know what contracts are being entered into by political subdivisions and provide accountability to the State through the AG.

Written-only proponent testimony was provided by a representative of the United States Chamber of Commerce Institute for Legal Reform.

Opponent testimony was provided by representatives of the City of Overland Park, City of Wichita, Kansas Association of Counties, Kansas Association of School Boards, the League of Kansas Municipalities, and two private citizens. The opponent conferees generally stated the bill is

redundant, would override local control, and decrease accountability.

Written-only opponent testimony was provided by representatives of City of El Dorado, City of Shawnee, Hutton & Hutton Law Firm, Kansas Bar Association, Kansas Trial Lawyers Association, and one private citizen.

No other testimony was provided.

The House Committee amended the bill to require the AG to make written findings when refusing to approve a contract and to allow a subdivision to appeal a refusal to its local district court.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the OAG states that any additional workload to review contingent fee contracts would be handled within the agency's existing resources. The Office of Judicial Administration states that enactment of the bill would have a negligible fiscal effect on expenditures, which could be absorbed within existing resources. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The League of Kansas Municipalities state that enactment of the bill would have a negligible fiscal effect on cities to develop and implement new procedures related to contract approval. However, a precise fiscal effect cannot be estimated. The Kansas Association of Counties states that if counties are forced to utilize by-the-hour services rather than contingency fees, the bill could increase the cost for legal services. Additionally, requiring the AG's approval could cost counties damages if contracts are denied, or if counties cannot join suits to pursue damages.

Judiciary; contingent fee contracts for legal services; political subdivision; Attorney General