

Testimony before House Judiciary Committee
HB 2797 – Kansas Restraint of Trade Act
Presented by Eric Stafford, Senior Director of Government Affairs



Friday, May 11, 2012

Mister Chairman and Members of the Committee:

My name is Eric Stafford. I am the Senior Director of Government Affairs for the Kansas Chamber. The Kansas Chamber currently stands neutral to House Bill 2797, which was introduced in direct response to the Kansas Supreme Court decision on May 4, 2012, *O'Brien v. Leegin Creative Leather Products, Inc.*

While we support the concept of the legislation, feedback from membership has us concerned the bill as introduced needs some modification. Each fall, we conduct an annual competitive index (ACI) study to review how our state rates regionally and nationally on a variety of issues. We have historically maintained strong rankings in our state's legal climate. However, the combination of the lack of legal reform bills in our state, and strong efforts to improve legal climates in other state, our ranking has dropped out of the top 10 toward the bottom of the top 15.

Throughout this session, the Kansas Chamber has supported several legal reform bills to improve our legal climate. Some of these bills were considered "preemptive" and unnecessary because opponents couldn't see our courts making harmful decisions. I can tell you with full confidence, this decision will have significant consequences if this legislature fails to act before the end of the session. Preemptive has been thrown out the window. We must act to protect businesses in Kansas.

We have heard many times this session about the "lost decade" where we have fewer private sector jobs today than we did in 2001. This legislature has considered and taken significant steps to improve the business climate in Kansas. Whether it's through a more competitive tax policy or protecting and improving our legal climate, we must ensure that Kansas is positioned to compete nationally and globally. We must however make sure that HB 2797 is in an acceptable form.

In closing, we simply need more time before we can support HB 2797 to make sure there are no unintended consequences.



The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.