

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **HB 2741**, as amended by House Committee, on page 71, following line 21, by inserting:

"New Sec. 70. (a) The secretary of social and rehabilitation services shall create and maintain or contract with a public or private entity to create and maintain a registry that lists child support debtors to be accessed by any lottery gaming facility manager as defined by K.S.A. 74-8702, and amendments thereto, and any facility owner licensee as defined by K.S.A. 74-8802, and amendments thereto, for the purpose of offsetting any prize as defined by K.S.A. 74-8702, and amendments thereto, or winnings from parimutuel wagering as defined by K.S.A. 74-8802, and amendments thereto.

(b) Except as provided in section 71, and amendments thereto, the Kansas lottery and all lottery facility managers and facility owner licensees shall conduct searches of the child support debtor's registry to ensure that an offset of past due child support is made against the winnings of any person who wins a prize or wager valued at \$1,200 or more.

(c) Pursuant to an agreement made under subsection (a), the secretary of social and rehabilitation services may disclose information about any individual who owes past due support in a title IV-D case if the support debtor owes at least \$25 in past due support. "Title IV-D" means part D of the title IV of the federal social security act, 42 U.S.C. § 651 *et seq.*

(d) To the extent feasible, the secretary of social and rehabilitation services shall require or provide secure electronic processes for disclosing information about child support debtors to any lottery gaming facility manager or a facility owner licensee conducting matches pursuant to this section.

(e) The secretary of social and rehabilitation services shall have the authority to adopt such rules and regulations as may be necessary to administer the provisions of this act.

New Sec. 71. The Kansas lottery and any lottery gaming facility manager as defined by K.S.A. 74-8702, and amendments thereto, and any facility owner licensee as defined by K.S.A. 74-8802, and amendments thereto, may utilize the provisions of K.S.A. 75-6201 *et seq.*, and amendments thereto, to insure child support debtors who win any prize or winning from parimutuel wagering valued at \$1,200 or more shall be subject to setoff of such child support debt.

Sec. 72. K.S.A. 2011 Supp. 75-3306 is hereby amended to read as follows: 75-3306. (a) The secretary of social and rehabilitation services, except as set forth in the Kansas administrative procedure act and subsections (f), (g), (h) and (i), shall provide a fair hearing for any person who is an applicant, client, inmate, other interested person or taxpayer who appeals from the decision or final action of any agent or employee of the secretary. The hearing shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

It shall be the duty of the secretary of social and rehabilitation services to have available in all intake offices, during all office hours, forms for filing complaints for hearings, and appeal forms with which to appeal from the decision of the agent or employee of the secretary. The forms shall be prescribed by the secretary of social and rehabilitation services and shall have printed on or as a part of them the basic procedure for hearings and appeals prescribed by state law and the secretary of social and rehabilitation services.

(b) The secretary of social and rehabilitation services shall have authority to investigate (1) any claims and vouchers and persons or businesses who provide services to the secretary of social and rehabilitation services or to welfare recipients, (2) the eligibility of persons to receive assistance and (3) the eligibility of providers of services.

(c) The secretary of social and rehabilitation services shall have authority, when conducting

investigations as provided for in this section, to issue subpoenas; compel the attendance of witnesses at the place designated in this state; compel the production of any records, books, papers or other documents considered necessary; administer oaths; take testimony; and render decisions. If a person refuses to comply with any subpoena issued under this section or to testify to any matter regarding which the person may lawfully be questioned, the district court of any county, on application of the secretary, may issue an order requiring the person to comply with the subpoena and to testify, and any failure to obey the order of the court may be punished by the court as a contempt of court. Unless incapacitated, the person placing a claim or defending a privilege before the secretary shall appear in person or by authorized representative and may not be excused from answering questions and supplying information, except in accordance with the person's constitutional rights and lawful privileges.

(d) The presiding officer may close any portion of a hearing conducted under the Kansas administrative procedure act when matters made confidential, pursuant to federal or state law or regulation are under consideration.

(e) Except as provided in subsection (d) of K.S.A. 77-511, and amendments thereto, and notwithstanding the other provisions of the Kansas administrative procedure act, the secretary may enforce any order prior to the disposition of a person's application for an adjudicative proceeding unless prohibited from such action by federal or state statute, regulation or court order.

(f) Except as provided in this subsection, decisions and final actions relating to the administration of the support enforcement program set forth in K.S.A. 39-753 *et seq.*, and amendments thereto, shall be exempt from the provisions of the Kansas administrative procedure act and subsection (a). Decisions and final actions relating to the support enforcement program may be reviewed pursuant to this section and pursuant to this act, and amendments thereto, if the decision or final action relates directly to federal debt set-off activities or the person is specifically permitted by statute to request a

fair hearing under this section.

(g) Decisions relating to administrative disqualification hearings shall be exempt from the provisions of the Kansas administrative procedure act and subsection (a).

(h) The department of social and rehabilitation services shall not have jurisdiction to determine the facial validity of a state or federal statute. An administrative law judge from the office of administrative hearings shall not have jurisdiction to determine the facial validity of an agency rule and regulation.

(i) The department of social and rehabilitation services shall not be required to provide a hearing if: (1) The department of social and rehabilitation services lacks jurisdiction of the subject matter; (2) resolution of the matter does not require the department of social and rehabilitation services to issue an order that determines the applicant's legal rights, duties, privileges, immunities or other legal interests; (3) the matter was not timely submitted to the department of social and rehabilitation services pursuant to regulation or other provision of law; or (4) the matter was not submitted in a form substantially complying with any applicable provision of law.

Sec. 73. K.S.A. 2011 Supp. 75-6202 is hereby amended to read as follows: 75-6202. As used in this act:

(a) "Debtor" means any person who:

(1) Owes a debt to the state of Kansas or any state agency or any municipality;

(2) owes support to an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756, and amendments thereto, or under part D of title IV of the federal social security act, (42 U.S.C. § 651 *et seq.*), as amended; or

(3) owes a debt to a foreign state agency.

(b) "Debt" means:

(1) Any liquidated sum due and owing to the state of Kansas, or any state agency,

municipality or foreign state agency which has accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum. A debt shall not include special assessments except when the owner of the property assessed petitioned for the improvement and any successor in interest of such owner of property; or

(2) any amount of support due and owing an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756, and amendments thereto, or under part D of title IV of the federal social security act, (42 U.S.C. § 651 *et seq.*), as amended, which amount shall be considered a debt due and owing the district court trustee or the department of social and rehabilitation services for the purposes of this act.

(c) "Refund" means any amount of Kansas income tax refund due to any person as a result of an overpayment of tax, and for this purpose, a refund due to a husband and wife resulting from a joint return shall be considered to be separately owned by each individual in the proportion of each such spouse's contribution to income, as the term "contribution to income" is defined by rules and regulations of the secretary of revenue.

(d) "Net proceeds collected" means gross proceeds collected through final setoff against a debtor's earnings, refund or other payment due from the state or any state agency minus any collection assistance fee charged by the director of accounts and reports of the department of administration.

(e) "State agency" means any state office, officer, department, board, commission, institution, bureau, agency or authority or any division or unit thereof including the Kansas lottery, any lottery gaming facility manager as defined by K.S.A. 74-8702, and amendments thereto, and any facility owner licensee as defined by K.S.A. 74-8802, and amendments thereto, 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.

(f) "Person" means an individual, proprietorship, partnership, limited partnership, association, trust, estate, business trust, corporation, other entity or a governmental agency, unit or subdivision.

(g) "Director" means the director of accounts and reports of the department of administration.

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

(i) "Payor agency" means any state agency which holds money for, or owes money to, a debtor.

(j) "Foreign state or foreign state agency" means the states of Colorado, Missouri, Nebraska or Oklahoma or any agency of such states which has entered into a reciprocal agreement pursuant to K.S.A. 75-6215, and amendments thereto.";

And by renumbering sections accordingly;

Also on page 71, in line 32, by striking "and 74-4923" and inserting ", 74-4923, 75-3306 and 75-6202";

On page 1, in the title, in line 2, after the semicolon by inserting "child support enforcement;"; in line 11, by striking "and 74-4923"; and inserting ", 74-4923, 75-3306 and 75-6202"

_____ District.