Steven J. Anderson, CPA, MBA, Director

Division of the Budget February 23, 2011

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Sam Brownback, Governor

The Honorable Lance Kinzer, Chairperson House Committee on Judiciary Statehouse, Room 165-W Topeka, Kansas 66612

Dear Representative Kinzer:

SUBJECT: Fiscal Note for HB 2297 by Senate Committee on Veterans, Military and Homeland Security

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2297 is respectfully submitted to your committee.

HB 2297 would require a plaintiff in any civil action for foreclosure to file an affidavit with the court stating whether or not the defendant is in military service or is a dependent of an individual who is in military service. The bill provides a form letter that may be used in determining this information and indicates the number of days that will be allowed for the defendant to respond. If it appears that the defendant is in military service or is a dependent of an individual who is in military service, the court would be prohibited from entering a judgement until it had appointed an attorney to represent the defendant. The bill would provide the circumstances under which, in a civil action for foreclosure, the court could grant a stay until up to 180 days after the service member is released from military service. It would also provide the circumstances under which, if a default judgement was entered in an action, the court entering the judgement could, upon application by or on behalf of the service member or service member's dependent, reopen the judgement so that the individual could defend the action.

According to the Office of Judicial Administration, passage of HB 2297 would have the potential to increase the length of foreclosure proceedings from the motions that could be filed in those proceedings and the requests to reopen judgments. It is not currently known how many defendants involved in foreclosure proceedings are in military service or are dependents of service members. It is also not known how many service members would request a stay or the reopening of a judgment. As a result, until the courts have had an opportunity to operate under the provisions of HB 2297, an accurate estimate of the fiscal effect on expenditures by the Judicial Branch cannot be provided. Any fiscal effect associated with HB 2297 is not reflected in The FY 2012 Governor's Budget Report.

Sincerely,

Steven J. Anderson, CPA, MBA Director of the Budget

cc: Mary Rinehart, Judiciary