## SENATE BILL No. 288

## By Committee on Judiciary

1-22

AN ACT concerning courts; relating to restitution or collection of debts owed to the courts; amending K.S.A. 60-2419 and 60-4303 and K.S.A. 2013 Supp. 28-178, 61-3604 and 75-719 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2013 Supp. 28-178 is hereby amended to read as follows: 28-178. (a) (1) Except as provided by subsection (a)(2), in addition to any other fees specifically prescribed by law, on and after July 1, 2013, through July 1, 2015, the supreme court may impose a charge, not to exceed \$12.50 per fee, to fund the costs of non-judicial personnel, on the following:

- (1) (A) A person who requests an order or writ of execution pursuant to K.S.A. 60-2401 or 61-3602, and amendments thereto.
- (2) (B) Persons who request a hearing in aid of execution pursuant to K.S.A. 60-2419, and amendments thereto.
- (3) (C) A person requesting an order for garnishment pursuant to article 7 of chapter 60 of the Kansas Statutes Annotated, and amendments thereto, or article 35 of chapter 61 of the Kansas Statutes Annotated, and amendments thereto.
- 21 (4) (D) Persons who request a writ or order of sale pursuant to K.S.A. 22 60-2401 or 61-3602, and amendments thereto.
  - (5) (E) A person who requests a hearing in aid of execution pursuant to K.S.A. 61-3604, and amendments thereto.
  - (6) (F) A person who requests an attachment against the property of a defendant or any one or more of several defendants pursuant to K.S.A. 60-701 or 61-3501, and amendments thereto.
  - (2) On and after July 1, 2014, through July 1, 2015, any charge imposed by the supreme court to fund the costs of non-judicial personnel pursuant to subsection (a)(1)(B) or (a)(1)(E) shall be waived for a:
  - (A) Contracting agent acting under a contract pursuant to K.S.A. 75-719, and amendments thereto, to provide collection services for debts owed to a court or restitution owed under an order of restitution; and
  - (B) contracting attorney acting under a contract pursuant to section 6, and amendments thereto, to provide collection services for debts owed to a court or restitution owed under an order of restitution.

(b) The clerk of the district court shall remit all revenues received from the fees imposed pursuant to subsection (a) to the state treasurer, in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the judicial branch surcharge fund.

- (c) The fees established in this section shall be the only fee collected or moneys in the nature of a fee collected for such court procedures. Such fee shall only be established by an act of the legislature and no other authority is established by law or otherwise to collect a fee.
- K.S.A. 60-2419 is hereby amended to read as follows: 60-2419. (a) When an execution against the judgment debtor or one of several debtors in the same judgment issued to the sheriff of the county where the debtor resides or, if the debtor does not reside in the state, to the sheriff of the county where judgment was rendered or a transcript of the judgment has been filed, is returned unsatisfied in whole or in part, the judgment creditor is entitled to have an order for a hearing in aid of execution by the district court of the county to which the execution was issued. If a judgment creditor, without having attempted execution, alleges that the judgment creditor is without sufficient knowledge of the debtor's assets to advise the sheriff where and on what to levy execution, the judgment creditor shall be entitled to have an order for a hearing in aid of execution by the district court of the county where the debtor resides and a transcript of the judgment has been filed or, if the debtor does not reside in the state, where judgment was rendered or a transcript of the judgment has been filed. An order for a hearing in aid of execution shall require the judgment debtor to appear and answer concerning the debtor's property and income, before the judge, or a referee appointed by the judge, at a time and place specified in the order, within the county where the court is located. Witnesses may also be subpoenaed to testify at the hearing. If, on proper application by the judgment creditor, the court finds that it will not cause undue hardship on the judgment debtor, the court may order a debtor residing in another county in this state to appear before the court for such a hearing.
- (b) If any person fails, neglects or refuses to appear and answer concerning the person's property and income at the time and place specified in an order for a hearing in aid of execution or, if any person subpoenaed to appear as a witness at the hearing fails, neglects or refuses to appear or to testify concerning anything about which the person can lawfully be interrogated, the person shall be guilty of contempt of court, and the court shall issue a citation requiring the person, at an early date specified in the citation, to appear before the court and show cause, if any, why the person should not be punished for contempt. If, after proper

service of the citation by any officer or other person, the person does not appear before the court on the specified day or if it appears to the court that the person is hiding to avoid the process of the court or is about to leave the county for that purpose, the court may issue an attachment or bench warrant commanding the officer to whom it is directed to bring the person before the court to answer for contempt. If the court determines that any such person is guilty of contempt, the person shall be punished as the court directs

- (c) At a hearing in aid of execution, when the existence of any nonexempt property of the judgment debtor is disclosed, the court shall order the debtor to deliver the property to the sheriff and shall also order the sheriff to accept its delivery. Upon receipt of the property, the sheriff shall give a receipt for it. If the property is other than currency, the sheriff shall sell the property, in the same manner as other property taken under execution is sold and the proceeds from the sale shall be applied to the judgment and costs.
- (d) If upon the hearing, it appears that the debtor may have income or property which the debtor will have in the future or refuses to disclose or apply to the judgment, the debtor may be ordered to return to the court from time to time, to appear before the court as the judge directs. Any debtor who fails to appear before the court as so ordered is guilty of contempt. The same procedure as provided above may be invoked at any time nonexempt property of the debtor is disclosed.
- (e) The docket fee prescribed by K.S.A. 60-2001, and amendments thereto, shall be waived for a:
- (1) Contracting agent acting under a contract pursuant to K.S.A. 75-719, and amendments thereto, to provide collection services for debts owed to a court or restitution owed under an order of restitution; and
- (2) contracting attorney acting under a contract pursuant to section 6, and amendments thereto, to provide collection services for debts owed to a court or restitution owed under an order of restitution.
- Sec. 3. K.S.A. 60-4303 is hereby amended to read as follows: 60-4303. *Except as provided by subsection (b)*, any person filing a judgment of restitution shall pay to the clerk of the district court a docket fee as prescribed by—subpart—2. of subsection (a) of K.S.A. 28-170, and amendments thereto. Any additional fees or charges not specifically covered by the docket fee shall be assessed as additional court costs in the same manner and to the same extent as if the action had been originally commenced in the court where the judgment is filed.
- (b) The docket fee prescribed by subsection (a) of K.S.A. 28-170, and amendments thereto, shall be waived for a:
- (1) Contracting agent acting under a contract pursuant to K.S.A. 75-719, and amendments thereto, to provide collection services for debts

owed to a court or restitution owed under an order of restitution; and

- (2) contracting attorney acting under a contract pursuant to section 6, and amendments thereto, to provide collection services for debts owed to a court or restitution owed under an order of restitution.
- Sec. 4. K.S.A. 2013 Supp. 61-3604 is hereby amended to read as follows: 61-3604. (a) As an aid to the collection of a judgment, the judgment creditor is entitled to have an order for a hearing in aid of execution issued by the court at any time after 14 days after judgment. There is no requirement that an execution first be issued and returned unsatisfied. No application for such order needs to be filed except as specially required in this section.
- (b) An order for a hearing in aid of execution may be issued at the request of a judgment creditor in an individual case or by a master request covering more than one case, and shall require the judgment debtor to either: (1) Contact the judgment creditor or attorney prior to the date set for the hearing to furnish information under oath or penalty of perjury concerning the judgment debtor's property and income; or (2) appear and furnish information under oath or penalty of perjury when required by the court concerning the debtor's property and income before the court at a time and place specified in the order within the county where the court is situated. The court may cancel the hearing if the judgment debtor has furnished to the judgment creditor satisfactory information concerning the debtor's property and income prior to the date and time for the hearing. Witnesses may also be subpoenaed to testify at the hearing.
- (c) If the judgment debtor resides in another county in this state or outside of this state, the court can order such judgment debtor to appear if the court finds that it will not cause undue hardship on the judgment debtor to appear.
- (d) It shall be the duty of the judge to assist in the enforcement of the judgments of the court. To this end, at any hearing in aid of execution, when the existence of any nonexempt property of the judgment debtor is disclosed, the court shall order the judgment debtor to deliver the property to the sheriff or a duly appointed process server. If the property is other than currency, the property shall be sold in the same manner as other property taken under execution is sold and the proceeds from the sale shall be applied to the judgment and costs.
- (e) The docket fee prescribed by K.S.A. 61-4001, and amendments thereto, shall be waived for a:
- (1) Contracting agent acting under a contract pursuant to K.S.A. 75-719, and amendments thereto, to provide collection services for debts owed to a court or restitution owed under an order of restitution; and
- (2) contracting attorney acting under a contract pursuant to section 6, and amendments thereto, to provide collection services for debts owed

 to a court or restitution owed under an order of restitution.

Sec. 5. K.S.A. 2013 Supp. 75-719 is hereby amended to read as follows: 75-719. (a) The attorney general is authorized to enter into contracts in accordance with this section for collection services for debts owed to courts or restitution owed under an order of restitution. On and after July 1, 1999, the cost of collection shall be paid by the defendant as an additional court cost in all criminal, traffic and juvenile offender cases where the defendant fails to pay any amount ordered by the court and the court utilizes the services of a contracting agent pursuant to this section. The cost of collection shall be deemed an administrative fee to pay the actual costs of collection made necessary by the defendant's failure to pay court debt and restitution.

- (b) As used in this section:
- (1) "Beneficiary under an order of restitution" means the victim or victims of a crime to whom a district court has ordered restitution be paid;
- (2) "contracting agent" means a person, firm, agency or other entity who contracts hereunder to provide collection services;
- (3) "cost of collection" means the fee specified in contracts hereunder to be paid to or retained by a contracting agent for collection services. Cost of collection also includes any filing fee required under K.S.A. 60-4303, and amendments thereto, or administrative costs prescribed by the attorney general pursuant to rules and regulations; and
- (4) "debts owed to courts" means any assessment of court costs, fines, fees, moneys expended by the state in providing counsel and other defense services to indigent defendants or other charges which a district court judgment has ordered to be paid to the court, and which remain unpaid in whole or in part, and includes any interest or penalties on such unpaid amounts as provided for in the judgment or by law. Debts owed to courts also includes the cost of collection when collection services of a contracting agent hereunder are utilized.
- (c) (1) Contracts authorized by this section may be entered into with state or federal agencies or political subdivisions of the state of Kansas, including contracts for participation in the collection program authorized by K.S.A. 75-6201 et seq., and amendments thereto. Such contracts also may be entered into with private firms or individuals selected by a procurement negotiation committee in accordance with K.S.A. 75-37,102, and amendments thereto, except that the attorney general shall designate a representative to serve as the chief administrative officer member of such committee and that the other two members of such committee shall be designated by the director of purchases and the judicial administrator.
- (2) Prior to negotiating any contract for collection services, this procurement negotiation committee shall advertise for proposals, negotiate with firms and individuals submitting proposals and select among those

submitting such proposals the party or parties to contract with for the purpose of collection services.

- (3) The attorney general may adopt rules and regulations as deemed appropriate for the administration of this section, including procedures to be used in the negotiation and execution of contracts pursuant to this section and procedures to be followed by those who utilize collection services under such contracts.
- (4) For purposes of this section, the agencies, firms or individuals with whom contracts are entered under this section shall be known as contracting agents. The attorney general shall publish a list of the contracting agents for use by courts or beneficiaries under orders of restitution who desire to utilize the collection services of such agents.
- (5) Each contract entered pursuant to this section shall provide for a fee to be paid to or retained by the contracting agent for collection services. Such fee shall be designated as the cost of collection hereunder, and shall not exceed 33% of the amount collected. The cost of collection shall be paid from the amount collected, but shall not be deducted from the debts owed to courts or restitution.
- (d) Judicial districts of the state of Kansas are authorized to utilize the collection services of contracting agents pursuant to this section *or contracting attorneys pursuant to section 6, and amendments thereto,* for the purpose of collecting all outstanding debts owed to courts. Subject to rules and orders of the Kansas supreme court, each judicial district may establish by local rule guidelines for the compromise of court costs, fines, attorney fees and other charges assessed in district court cases.
- (e) Any beneficiary under an order of restitution entered by a court after this section takes effect is authorized to utilize the collection services of contracting agents pursuant to this section for the purpose of collecting all outstanding amounts owed under such order of restitution.
- (f) Contracts entered hereunder shall provide for the payment of any amounts collected to the clerk of the district court for the court in which the debt being collected originated, after first deducting the collection fee. In accounting for amounts collected from any person pursuant to this section, the district court clerk shall credit the person's amount owed in the amount of the net proceeds collected and shall not reduce the amount owed by any person by that portion of any payment which constitutes the cost of collection pursuant to this section.
- (g) With the appropriate cost of collection paid to the contracting agent as agreed upon in the contract hereunder, the clerk shall then distribute amounts collected hereunder as follows:
- (1) When collection services are utilized pursuant to subsection (d), all amounts shall be applied against the debts owed to the court as specified in the original judgment creating the debt;

(2) when collection services are utilized pursuant to subsection (e), all amounts shall be paid to the beneficiary under the order of restitution designated to receive such restitution, except where that beneficiary has received recovery from the Kansas crime victims compensation board and such board has subrogation rights pursuant to K.S.A. 74-7312, and amendments thereto, in which case all amounts shall be paid to the board until its subrogation lien is satisfied.

(h) Whenever collection services are being utilized against the same debtor pursuant to both subsections (d) and (e), any amounts collected by a contracting agent shall be first applied to satisfy subsection (e) debts, debts pursuant to an order of restitution. Upon satisfaction of all such debts, amounts received from the same debtor shall then be applied to satisfy subsection (d) debts, debts owed to courts.

New Sec. 6. (a) The chief judge of a judicial district may contract with any licensed attorney for collection services for debts owed to courts or restitution owed under an order of restitution. On and after July 1, 2014, the cost of collection shall be paid by the defendant as an additional court cost in all criminal, traffic and juvenile offender cases where the defendant fails to pay any amount ordered by the court and the court utilizes the services of a contracting attorney pursuant to this section. The cost of collection shall be deemed an administrative fee to pay the actual costs of collection made necessary by the defendant's failure to pay court debt and restitution.

- (b) As used in this section:
- (1) "Beneficiary under an order of restitution" shall mean the same as in K.S.A. 75-719, and amendments thereto;
- (2) "contracting attorney" means a licensed attorney who contracts hereunder to provide collection services;
- (3) "cost of collection" means the fee specified in contracts hereunder to be paid to or retained by a contracting attorney for collection services; and
- (4) "debts owed to the courts" shall mean the same as in K.S.A. 75-719, and amendments thereto. Debts owed to courts also includes the cost of collection when collection services of a contracting attorney hereunder are utilized.
- (c) Subject to rules and orders of the Kansas supreme court, the chief judge of a judicial district may provide for a fee to be paid to or retained by the contracting attorney for collection services. The cost of collection shall be paid from the amount collected, but shall not be deducted from the debts owed to courts or restitution.
- (d) Judicial districts of the state of Kansas are authorized to utilize the collection services of contracting attorneys pursuant to this section or contracting agents pursuant to K.S.A. 75-719, and amendments thereto, for

the purpose of collecting all outstanding debts owed to courts. Subject to rules and orders of the Kansas supreme court, each judicial district may establish by local rule guidelines for the compromise of court costs, fines, attorney fees and other charges assessed in district court cases.

- (e) Any beneficiary under an order of restitution entered by a court after July 1, 2014, is authorized to utilize the collection services of contracting attorneys pursuant to this section for the purpose of collecting all outstanding amounts owed under such order of restitution.
- (f) Contracts entered hereunder shall provide for the payment of any amounts collected to the clerk of the district court for the court in which the debt being collected originated, after first deducting the collection fee. In accounting for amounts collected from any person pursuant to this section, the district court clerk shall credit the person's amount owed in the amount of the net proceeds collected and shall not reduce the amount owed by any person by that portion of any payment which constitutes the cost of collection pursuant to this section.
- (g) With the appropriate cost of collection paid to a contracting attorney under this section, as agreed upon in the contract, the clerk shall then distribute amounts collected as follows:
- (1) When collection services are utilized to collect debts owed to the court, all amounts shall be applied against the debts owed to the court as specified in the original judgment creating the debt; and
- (2) when collection services are utilized to collect restitution, all amounts shall be paid to the beneficiary under the order of restitution designated to receive such restitution, except where that beneficiary has received recovery from the Kansas crime victims compensation board and such board has subrogation rights pursuant to K.S.A. 74-7312, and amendments thereto, in which case all amounts shall be paid to the board until its subrogation lien is satisfied.
- (h) Whenever collection services are being utilized against the same debtor to collect debts owed to the court and to collect restitution, any amounts collected by a contracting attorney under this section shall be first applied to satisfy debts pursuant to an order of restitution. Upon satisfaction of all such debts, amounts received from the same debtor shall then be applied to satisfy debts owed to courts.
- Sec. 7. K.S.A. 60-2419 and 60-4303 and K.S.A. 2013 Supp. 28-178, 61-3604 and 75-719 are hereby repealed.
- Sec. 8. This act shall take effect and be in force from and after its publication in the statute book.