

February 26, 2020

The Honorable Rick Wilborn, Chairperson
Senate Committee on Judiciary
Statehouse, Room 541C-E
Topeka, Kansas 66612

Dear Senator Wilborn:

SUBJECT: Fiscal Note for SB 446 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 446 is respectfully submitted to your committee.

SB 446 would create limitations on the percentage of the net amount received by an attorney in a contingency fee case for personal injury, wrongful death, or damage to property. The bill would require an attorney to explain certain aspects of the contingency fees to the claimant. A waiver for the percentage limitations would have to be in writing and contain a certain statement in 12-point font size. Even if a waiver exists, the bill would establish a maximum of 33.3 percent of the net amount recovered. The bill would detail instances when an attorney would be paid for fees that exceed the percentage limitation.

The Office of Judicial Administration states that enactment of the bill would require the court to review any deviation from the statutory percentage set for an attorney to receive in a contingency case, which would increase the workload for judges. However, the Office estimates that it would have negligible fiscal effect and could be absorbed within existing operations.

The Office of the Attorney General states that enactment of the bill could result in litigation challenging the constitutionality of the Act and in turn would increase the civil litigation attorneys' workload. There could be a need to hire outside counsel to assist with the case. In addition, the lawsuit could result in a monetary judgement against the state as well as an order to pay the prevailing party's attorney fees. However, there is no way to estimate the fiscal effect of the bill. Any fiscal effect associated with SB 446 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Mary Rinehart, Judiciary
Jay Hall, Association of Counties
Willie Prescott, Office of the Attorney General
Trey Cocking, League of Municipalities