

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson David Adkins at 12:30 p.m. on April 5, 2000 in Room 514-S of the Capitol.

All members were present except: Representative Allen - excused

Committee staff present: Alan Conroy, Kansas Legislative Research Department
Stuart Little, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Rae Anne Davis, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Jim Wilson, Revisor of Statutes Office
Mike Corrigan, Revisor of Statutes Office
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list.

Chairman Adkins opened the meeting to consideration of **SB 660** with a report from Representative Pottorff from the General Government and Human Resources Budget Committee.

SB 660 - Capitol restoration bonds

Representative Pottorff mentioned that there are copies that have been distributed regarding:

- General Government and Human Resources Budget Committee Report on **SB 660** (Attachment 1)
- Statehouse Preservation Project (Attachment 2)

Representative Pottorff mentioned that the Revisor Jim Wilson had prepared a balloon regarding **SB 660** (Attachment 3). Jim Wilson, Revisor of Statutes Office, briefed the Committee on the balloon.

Representative Pottorff made a motion, seconded by Representative Stone, to adopt the balloon with technical corrections. Motion carried. Committee questions and discussion followed.

Representative McKechnie made a conceptual motion, seconded by Representative Pottorff, to amend to state that moneys are to be used to address health, safety and building issues and list out what the monies should be used for, as listed under Section "a" in the handout, Statehouse Preservation Project. Motion carried. Committee questions and discussion followed.

Representative Pottorff made a motion, seconded by Representative Stone, to report **SB 660** favorable for passage as amended. Motion carried. Representative Spangler requested to be reported as voting "No". The Chairman asked Representative Pottorff to carry **SB 660**.

The meeting recessed at 12:50 p.m. The meeting reconvened at 2:55 p.m.

CONTINUATION SHEET

HB 2856 - Establishing the judicial branch nonjudicial salary initiative fund, docket fees

The Chairman recognized Representative Peterson, Chairman of the Tax, Judicial and Transportation Budget Committee. Representative Peterson distributed the following information based on the Budget Committee recommendations:

- Projected Nonjudicial Employee Salaries Based on House Budget Committee Recommendation (Option 2) (Attachment 4)
- Balloon for **HB 2856** (Attachment 5)

Committee questions and discussion followed.

Representative Peterson made a motion, seconded by Representative Nichols, to insert the language in the balloon for HB 2856 into SB 506.

Representative McKechnie made a motion, seconded by Representative Pottorff, regarding the language in the balloon on Page 5, beginning on line 31, to put the fees proposed to be credited to the judicial branch nonjudicial salary initiative fund in SB 506 and the balloon in the State General Fund and to provide any nonjudicial branch salary increases by appropriation from the State General Fund. Committee questions and discussion followed. Motion failed.

Representative Peterson renewed the motion, seconded by Representative Nichols, to insert the language in the balloon for HB 2856 into SB 506. Motion carried. Representative Shriver requested to be recorded as voting "No".

Chairman Adkins asked the Committee to consider at the request of the Judiciary Committee Chairman who indicated that **HB 3051** is out of his committee.

HB 3051 - Increase court of appeals to 14 judges, increasing by one each year to 2003

Representative Adkins made a motion, seconded by Representative Pottorff, that the provisions of HB 3051 be incorporated into SB 506. Committee questions and discussion followed. Motion carried.

Representative Neufeld made a motion, seconded by Representative Landwehr, to delay the dates back one year from where they are in the bill for the four judges only. Motion carried.

Representative Peterson made a motion, seconded by Representative Hermes, to recommend SB 506 favorable for passage as amended. Motion carried.

The meeting was adjourned at 3:45 p.m. The next meeting is scheduled for April 19, 2000.

**HOUSE APPROPRIATIONS COMMITTEE
GUEST LIST**

DATE April 5, 2000

NAME	REPRESENTING
Jerry Swan	Judicial Branch
DERL TREFF	PMIB
PEGGY Hanna	State Treasurer's Ofc
Kevin Berone	Hem/weir Cttd.
Ellen Pickalberry	Assoc. of CMHCs
Don Ryzor	S. E. A. K
Fous	Budget
Laura Howard	SR5

**GENERAL GOVERNMENT AND HUMAN RESOURCES
BUDGET COMMITTEE REPORT ON SB 660**

SB 660 authorizes the issuance of up to \$40.0 million in bonds for renovations and improvements to the State Capitol. The bill specifies that the bonds are to be repaid by appropriations from the State General Fund. Expenditure of the bond proceeds would be determined jointly by the Secretary of Administration and the Legislative Coordinating Council.

In addition, the bill authorizes a different investment alternative for unclaimed property receipts. Unclaimed property receipts are credited to the State General Fund. SB 660 would permit the investment of the net aggregate amount of unclaimed property credited to the State General Fund through the Kansas Public Employees Retirement System (KPERs) instead of through the Pooled Money Investment Board (PMIB). The interest earnings would continue to be credited to the State General Fund.

SB 660 was introduced at the request of the Capitol Restoration Commission. Preliminary estimates of the cost for renovation and restoration of the State Capitol range from \$90 million to \$120 million over several years, depending on the scope and depth of renovation and restoration.

The provisions on investing the portion of the State General Fund attributable to unclaimed property receipts through KPERs are designed to minimize the long term impact on the State General Fund of debt service payments. State idle funds (those funds not needed immediately for expenditures) are invested through the PMIB in relatively short term instruments, producing a rate of return ranging from 4 to 6 percent. Investments through KPERs produce an average annual rate of return in the 8 to 10 percent range over the long term. Interest earnings on idle state funds are credited to the State General Fund unless otherwise directed by state law.

Unclaimed property is deposited to the State General Fund until claimed by the rightful owner or heirs. The net aggregate amount of unclaimed property held by the state currently is estimated to be \$75.0 million. This amount has been growing at the rate of \$5.0 million or more per year for the last several years.

The Kansas Development Finance Authority estimates that the annual debt service payment required to retire a \$35.7 million to \$40.0 million bond issue over a 20-year term to be between \$3.25 and \$3.5 per year. A 4.5 percent increase in the interest earnings on a base of \$75.0 million would increase State General Fund earnings by \$3.4 million per year.

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Attachment 1

As introduced, the bill would have only granted expanded investment authority over moneys in the Unclaimed Property Claims Fund, which is used as a clearing fund for the return of unclaimed property. The Senate Committee amendments are designed to implement the intent of the Capitol Restoration Commission.

In its hearing on SB 660, the Budget Committee heard testimony from the State Treasurer and the Director of the Budget. The Director of the Budget requested that SB 660 be amended to avoid adversely affecting the cash flow of the State General Fund.

The Budget Committee recommends that SB 660 be amended as shown in the attached balloon. The effect of the amendment is to have the money certified by the State Treasurer as being equivalent to the aggregate net receipts from unclaimed property be invested from the idle funds pool rather than the State General Fund.

Statehouse Preservation Project

- a. The preservation and rehabilitation project:
 - i. Addresses issues of health and safety
 - ii. Modernizes building systems, including improving the technology infrastructure
 - iii. Preserves the artistic and historic integrity of the building
 - (1) Artwork
 - (2) Public Spaces
 - (3) Building Materials
 - (4) Light wells and Skylights
 - (5) Exterior
 - iv. Utilizes and improves space available (including the basement) to increase the functionality of the Statehouse as a working capitol
- b. Costs
 - i. \$90.0 to \$120.0 million
 - (1) \$406 per square foot times 285,000 square feet (the basement is included in the square footage and cost average)
 - (2) 5-9 year project
- c. Even if the project is not approved, there will be ever increasing and significant costs required for life-safety upgrades, infrastructure improvements and maintenance items
 - i. No smoke or fire protection
 - ii. Inadequate emergency warning, lighting, exit systems
 - iii. Low railing everywhere, especially on upper floors overlooking rotunda
 - iv. Hazardous materials, wiring and equipment
 - v. Materials damage (falling stone at pedestrian points of entry and falling plaster ceilings on legislator's desks)

SENATE BILL No. 660

By Committee on Ways and Means

3-13

Proposed Amendments
For Consideration by
Committee on Appropriations
April 5, 2000

House Appropriations
4-5-00
Attachment 3

10 AN ACT concerning capitol restoration; relating to the construction,
11 equipping, furnishing, renovation, reconstruction and repair of the
12 state capitol; financing.

[; amending K.S.A. 1999 Supp. 75-4234
and repealing the existing section

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. The secretary of administration jointly with the legislative
16 coordinating council may make expenditures from money available there-
17 for for the construction, equipping, furnishing, renovation, reconstruction
18 and repair of the state capitol. The capital improvement project for the
19 construction, equipping, furnishing, renovation, reconstruction and repair
20 of the state capitol is hereby approved for the secretary of administration
21 jointly with the legislative coordinating council for the purpose of sub-
22 section (b) of K.S.A. 74-8905 and amendments thereto and the authori-
23 zation of the issuance of bonds by the Kansas development finance au-
24 thority in accordance with the statute. Expenditures authorized by this
25 section for this capital improvement project shall not exceed \$40,000,000
26 plus all amounts required for costs of any bond issuance, costs of interest
27 on any bond issued or obtained for such capital improvement project and
28 any required reserves for payment of principal and interest on any bond.
29 Bonds issued under this section shall be financed by appropriations from
30 the state general fund.

[that portion of state moneys available
for investment by the pooled money
investment board that is

31 Sec. 2. (a) On and after the effective date of this act, the board of
32 trustees is responsible for the management and investment of ~~the un-~~
33 ~~claimed property claims fund~~ ~~moneys in the state general fund~~ ~~certi-~~
34 ~~fied by the state treasurer to the board of trustees as being equiv-~~
35 ~~alent to the aggregate net~~ ~~receipts from~~ ~~unclaimed property~~ and shall
36 discharge the board's duties with respect to ~~the fund~~ ~~such moneys~~ solely
37 in the ~~state general~~ interests of the fund and shall invest and reinvest
38 ~~such moneys in the fund~~ and acquire, retain, manage, including the ex-
39 ~~ercise of any voting rights and disposal of investments of the fund~~ ~~such~~
40 ~~moneys~~ within the limitations and according to the powers, duties and
41 purposes as prescribed by this section.

[amount received for

[state general

42 (b) Moneys ~~in the fund~~ *specified in subsection (a)* shall be invested
43 and reinvested to achieve the investment objective which is preservation

1 of ~~the fund~~ **such moneys** and accordingly providing that the moneys are
2 as productive as possible, subject to the standards set forth in this act. No
3 **such moneys** ~~in the fund~~ shall be invested or reinvested if the sole or
4 primary investment objective is for economic development or social pur-
5 poses or objectives.

6 (c) In investing and reinvesting moneys ~~in the fund~~ **specified in sub-**
7 **section (a)** and in acquiring, retaining, managing and disposing of in-
8 vestments of the ~~fund~~ **moneys**, the board of trustees shall exercise the
9 judgment, care, skill, prudence and diligence under the circumstances
10 then prevailing, which persons of prudence, discretion and intelligence
11 acting in a like capacity and familiar with such matters would use in the
12 conduct of an enterprise of like character and with like aims by diversi-
13 fying the investments of the ~~fund~~ **moneys** so as to minimize the risk of
14 large losses, unless under the circumstances it is clearly prudent not to
15 do so, and not in regard to speculation but in regard to the permanent
16 disposition of similar ~~funds~~ **moneys**, considering the probable income as
17 well as the probable safety of their capital.

18 (d) In the discharge of such management and investment responsi-
19 bilities the board of trustees may contract for the services of one or more
20 professional investment advisors or other consultants in the management
21 and investment of **such** moneys ~~in the fund~~ and otherwise in the per-
22 formance of the duties of the board of trustees under this act.

23 (e) The board of trustees shall require that each person contracted
24 with under subsection (d) to provide services shall obtain commercial
25 insurance which provides for errors and omissions coverage for such per-
26 son in an amount to be specified by the board of trustees. The amount
27 of such coverage specified by the board of trustees shall be at least the
28 greater of \$500,000 or 1% of the funds entrusted to such person up to a
29 maximum of \$10,000,000. The board of trustees shall require a person
30 contracted with under subsection (d) to provide services to give a fidelity
31 bond in a penal sum as may be fixed by law or, if not so fixed, as may be
32 fixed by the board of trustees, with corporate surety authorized to do
33 business in this state. Such persons contracted with the board of trustees
34 pursuant to subsection (d) and any persons contracted with such persons
35 to perform the functions specified in subsection (b) shall be deemed to
36 be fiduciary agents of the board of trustees in the performance of con-
37 tractual obligations.

38 (f) (1) Subject to the objective set forth in subsection (b) and the
39 standards set forth in subsection (c), the board of trustees shall formulate
40 and adopt policies and objectives for the investment and reinvestment of
41 **such** moneys ~~in the fund~~ and the acquisition, retention, management and
42 disposition of investments of the ~~fund~~ **moneys**. Such policies and objec-
43 tives shall be in writing and shall include:

1 (A) Specific asset allocation standards and objectives;

2 (B) establishment of criteria for evaluating the risk versus the poten-
3 tial return on a particular investment; and

4 (C) a requirement that all investment advisors, and any managers or
5 others with similar duties and responsibilities as investment advisors, shall
6 immediately report all instances of default on investments to the board
7 of trustees and provide such board of trustees with recommendations and
8 options, including, but not limited to, curing the default or withdrawal
9 from the investment.

10 (2) The board of trustees shall review such policies and objectives,
11 make changes considered necessary or desirable and readopt such policies
12 and objectives on an annual basis.

13 (g) ~~(f)~~ Except as provided in subsection (d) and this subsection, the
14 custody of ~~money and securities of the fund~~ *such moneys* shall remain
15 in the custody of the state treasurer, except that the board of trustees
16 may arrange for the custody of such ~~money and securities~~ *moneys* as it
17 considers advisable with one or more member banks or trust companies
18 of the federal reserve system or with one or more banks in the state of
19 Kansas, or both, to be held in safekeeping by the banks or trust companies
20 for the collection of the principal and interest or other income or of the
21 proceeds of sale. *All such moneys shall be considered moneys in the*
22 *state treasury for purposes of K.S.A. 75-6704 and amendments*
23 *thereto.*

24 ~~(2) The state treasurer and the board of trustees shall collect the~~
25 ~~principal and interest or other income of investments or the proceeds of~~
26 ~~sale of securities of the fund in the custody of the state treasurer and shall~~
27 ~~pay the portion of such moneys constituting principal when so collected~~
28 ~~into the state treasury. The portion of such money constituting principal~~
29 ~~shall be credited to the fund, and the portion of such money constituting~~
30 ~~interest shall be credited to the state general fund.~~

31 ~~(3) The principal and interest or other income or the proceeds of sale~~
32 ~~of securities of the fund as provided in paragraph (1) of this subsection~~
33 ~~shall be reported to the state treasurer and the board of trustees. The~~
34 ~~portion of such money constituting principal shall be credited to the fund,~~
35 ~~and the portion of such money constituting interest shall be credited to~~
36 ~~the state general fund.~~

37 (h) All interest or other income of the investments of the moneys in
38 the fund *invested under this section*, after payment of any management
39 fees, shall be deposited in the state treasury to the credit of the state
40 general fund.

41 ~~(i)~~ As used in this section:

42 (1) "Board of trustees" means the board of trustees of the Kansas
43 public employees retirement system established by K.S.A. 74-4905 and

(i) (1) There is hereby established the
state moneys special investment fund in the
state treasury which shall be administered by
the board of trustees. All expenditures from
the state moneys special investment fund
shall be made in accordance with
appropriation acts upon warrants of the
director of accounts and reports issued
pursuant to vouchers approved by the
chairperson of the board of trustees or the
chairperson's designee.

(2) On or after the effective date of
this act and periodically thereafter, the
state treasurer shall certify to the board of
trustees and to the director of accounts and
reports a portion of state moneys available
for investment by the pooled money investment
board that is equivalent to the aggregate net
amount received for unclaimed property. Upon
receipt of such certification, the director
of accounts and reports shall transfer the
amount certified to the state moneys special
investment fund.

1 amendments thereto.

2 (2) "Fiduciary" means a person who, with respect to the ~~fund~~ **moneys**
3 **invested under this section**, is a person who:

4 (A) Exercises any discretionary authority with respect to administra-
5 tion of the ~~fund~~ **moneys**;

6 (B) exercises any authority to invest or manage ~~assets of the fund~~
7 **such moneys** or has any authority or responsibility to do so;

8 (C) provides investment advice for a fee or other direct or indirect
9 compensation with respect to ~~the assets of the fund~~ **such moneys** or has
10 any authority or responsibility to do so;

11 (D) provides actuarial, accounting, auditing, consulting, legal or other
12 professional services for a fee or other direct or indirect compensation
13 with respect to ~~the fund~~ **such moneys** or has any authority or responsi-
14 bility to do so; or

15 (E) is a member of the board of trustees or of the staff of the board
16 of trustees.

17 ~~(3) "Fund" means the unclaimed property claims fund.~~

5] 18 ~~Sec. [3]~~ This act shall take effect and be in force from and after its
19 publication in the statute book.

Insert Sec. 3. attached

Sec. 4. K.S.A. 1999 Supp. 75-4234 is hereby repealed

Sec. 3. K.S.A. 1999 Supp. 75-4234 is hereby amended to read as follows: 75-4234. (a) Except as provided in subsection (c) and in subsection (f), all moneys in the state treasury shall be invested as a single portfolio which is hereby designated as the pooled money investment portfolio. The portfolio shall be invested in accordance with article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto. The director of investments shall compute daily the earnings of the portfolio, including realized gains and losses. The pooled money investment board by written policy may provide for allocation of unrealized gains or losses. The director of investments shall calculate on a daily basis and shall deduct from earnings an administrative fee which shall be set by the board and applied as a fixed percentage of moneys in the pooled money investment portfolio. The administrative fee shall not exceed .25% annually on moneys deposited in the municipal investment pool and .10% annually on other moneys in the pooled money investment portfolio. The director of investments shall deposit the administrative fee in accordance with K.S.A. 75-4235, and amendments thereto. The gross earnings, after deduction of the administrative fee, shall be designated as the net earnings of the pooled money investment portfolio.

(b) The pooled money investment board may contract for the services of an external investment advisor to provide advisory services concerning the investment policies and practices of the pooled money investment portfolio. Such investment advisor shall not be the person or firm contracted with under K.S.A. 1999 Supp. 75-4264.

(c) Moneys in the employment security fund established by K.S.A. 44-712, and amendments thereto, shall not be invested in the pooled money investment portfolio except as may be authorized by the secretary of human resources pursuant to subsection (e) of K.S.A. 44-712, and amendments thereto.

(d) For moneys in funds designated in this subsection that are in the pooled money investment portfolio and which are not invested in the municipal investment pool, interest is to be paid on such moneys based on the average daily balance in the fund for each month and the net earnings rate of the pooled money investment portfolio for such month. This subsection shall apply to the state highway fund and funds for bonds and other debt instruments of state agencies and authorities.

(e) Moneys in funds designated in this subsection shall not be invested in investment options of the municipal investment pool fund for which the minimum term of such investment is less than 21 days. This subsection shall apply to state moneys, other than moneys of municipalities as described in subsection (a) of K.S.A. 12-1675, and amendments thereto.

(f) The amount of state moneys certified by the state treasurer as equivalent to the aggregate net amount received for unclaimed property under section 2, and amendments thereto, shall be managed and invested as provided in section 2, and amendments thereto.

**PROJECTED NONJUDICIAL EMPLOYEE SALARIES
 BASED ON HOUSE BUDGET COMMITTEE RECOMMENDATION (Option 2)**

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Base Salary Existing Pay Plan (a)	\$ 48,263,392	\$ 49,807,821	\$ 51,401,671	\$ 53,046,524	\$ 54,744,013	\$ 56,495,821	\$ 58,303,688	\$ 60,169,406	\$ 62,094,827	\$ 64,081,861
Proposed Salary Plan (b)	\$ 52,155,784	\$ 53,824,769	\$ 55,547,162	\$ 57,324,671	\$ 59,159,060	\$ 61,052,150	\$ 63,005,819	\$ 65,022,005	\$ 67,102,709	\$ 69,249,996
Difference Between Existing and Proposed Plan (c)	\$ 3,892,392	\$ 4,016,949	\$ 4,145,491	\$ 4,278,147	\$ 4,415,047	\$ 4,556,329	\$ 4,702,131	\$ 4,852,600	\$ 5,007,883	\$ 5,168,135
Annual Docket Fee Receipts (d)	\$ 3,910,092	\$ 4,011,754	\$ 4,116,060	\$ 4,223,078	\$ 4,332,878	\$ 4,445,532	\$ 4,561,116	\$ 4,679,705	\$ 4,801,378	\$ 4,926,213
Docket Fees in Excess of Amount Needed	\$ 17,700	\$ (5,194)	\$ (29,431)	\$ (55,069)	\$ (82,170)	\$ (110,796)	\$ (141,015)	\$ (172,894)	\$ (206,505)	\$ (241,922)

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Attachment 4

a) Assumes annual growth of 3.2 percent for step movement and cost of living adjustment (COLA).

b) Calculated as follows: Increased docket fees in FY 2001 are built into the base for succeeding fiscal years. Following the initial upgrade in FY 2001, salaries are increased by 3.2 percent (step movement and COLA).

c) Includes a one-time salary upgrade in FY 2001.

d) Fees based on increases proposed by the Budget Committee, assuming a 2.6 percent annual growth in caseload.

	Filings (or Termin., where appl.)	% of Cases Docket Fees Collected	Current Fee	National Average	NJSI Proposal (Full Funding NJSI + 2.5% COLA)			National Average			Collection Attorney Proposal			Senate Proposal 3/10/00				
					Proposed Increase	Proposed Fee	Money Raised	Proposed Increase	Proposed Fee	Money Raised	Proposed Increase	Proposed Fee	Money Raised	Proposed Increase	Proposed Fee	Money Raised		
Appellate Courts***																		
Supreme Court	195	66%	55.00	123.50	\$45.00	\$100.00	\$5,792	\$68.50	\$123.50	\$8,816	\$45.00	\$100.00	\$5,792	\$68.50	\$123.50	\$8,816		
Court of Appeals	1878	51%	55.00	128.52	\$45.00	\$100.00	\$43,100	\$68.50	\$123.50	\$65,608	\$45.00	\$100.00	\$43,100	\$68.50	\$123.50	\$65,608		
Civil Cases																		
Regular Actions	22564	98%	66.50	87.39	\$33.50	\$100.00	\$740,776	\$20.89	\$87.39	\$461,935	\$33.50	\$100.00	\$740,776	\$20.89	\$87.39	\$461,935		
Domestic Relations	37998	75%	66.50	87.39	\$33.50	\$100.00	\$954,700	\$20.89	\$87.39	\$595,334	\$33.50	\$100.00	\$954,700	\$20.89	\$87.39	\$595,334		
Limited Actions	124816	98%	55%	19.50	44.12	\$25.50	\$45.00	\$1,715,534	\$24.62	\$44.12	\$1,656,331	\$5.50	\$25.00	\$370,017	\$24.62	\$44.12	\$1,656,331	
			40%	39.50	44.12	\$5.50	\$45.00	\$269,103	\$4.62	\$44.12	\$226,047	\$5.50	\$45.00	\$269,103	\$4.62	\$44.12	\$226,047	
			5%	64.50	44.12	\$10.50	\$75.00	\$64,218	\$0.00 *	\$64.50	\$0	\$10.50	\$75.00	\$64,218	\$0.00	\$64.50	\$0	
Small Claims	15476	98%	55%	19.50	21.78	\$5.50	\$25.00	\$45,879	\$2.28	\$21.78	\$19,019	\$5.50	\$25.00	\$45,879	\$2.28	\$21.78	\$19,019	
			45%	39.50	21.78	\$5.50	\$45.00	\$37,537	\$0.00 *	\$39.50	\$0	\$5.50	\$45.00	\$37,537	\$0.00	\$39.50	\$0	
Other																		
Traffic	193079 **	92%	90%	46.00	\$0.00	\$46.00	\$0	\$0.00	\$46.00	\$0	\$7.00	\$53.00	\$1,119,086	\$7.00	\$53.00	\$1,119,086		
Fish and Game	4186 **	83%	10%	45.00	\$1.00	\$46.00	\$17,763	\$1.00	\$46.00	\$17,763	\$8.00	\$53.00	\$142,106	\$8.00	\$53.00	\$142,106		
				45.00	\$1.00	\$46.00	\$3,474	\$1.00	\$46.00	\$3,474	\$8.00	\$53.00	\$27,795	\$8.00	\$53.00	\$27,795		
Criminal																		
Felony	18559 **	16% ~	134.50		\$5.50	\$140.00	\$16,587	\$5.50	\$140.00	\$16,587	\$10.50	\$145.00	\$31,666	\$10.50	\$145.00	\$31,666		
Misdemeanor	20584 **	38% ~	102.50		\$2.50	\$105.00	\$19,683	\$2.50	\$105.00	\$19,683	\$7.50	\$110.00	\$59,050	\$7.50	\$110.00	\$59,050		
							\$3,934,146				\$3,090,597				\$3,910,825			\$4,412,792

Nonjudicial Salary Initi Phase I	\$2,364,646
COLA	\$1,203,586
CSO Upgrade	\$324,160
Total	\$3,892,392

***All receipts currently go to the State General Fund

**Terminations

* Current statutory rates remain in effect

~The percentage of cases for which a docket fee would have been assessed were multiplied by 25% for felonies and 75% for misdemeanors based on estimates of payments received.

HOUSE BILL No. 2856

By Committee on Appropriations

2-3

Proposed Amendments adopted
in subcommittee report by the
Tax, Judicial and Transportation Budget Committee
for consideration by
House Committee on Appropriations

House Appropriations
4-5-00
Attachment 5

9 AN ACT concerning docket fees; establishing the judicial branch non-
10 judicial salary initiative fund; relating to compensation for certain non-
11 judicial employees in the judicial branch; amending K.S.A. 20-1a04
12 and K.S.A. 1999 Supp. 8-2107, 20-367, 28-172a, 60-2001, 61-2501 and
13 61-2704 and repealing the existing sections; also repealing K.S.A. 1999
14 Supp. 20-367a.
15

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

17 New Section 1. (a) There is hereby established in the state treasury
18 the judicial branch nonjudicial salary initiative fund.

19 (b) All moneys credited to the fund shall be used for the purpose of
20 providing annual salary adjustments for judicial branch employees. Ex-
21 penditures from the fund shall be in addition to the funding authorized
22 for increases to the rates of compensation of the pay plan for persons in
23 the classified service under the Kansas civil service act for fiscal years
24 commencing after June 30, 2000. Moneys credited to the fund shall not
25 be used for judicial salary increases.

26 (c) All expenditures from the judicial branch nonjudicial salary ini-
27 tiative fund shall be made in accordance with appropriation acts and upon
28 warrants of the director of accounts and reports issued pursuant to pay-
29 rolls approved by the chief justice of the Kansas supreme court or by a
30 person or persons designated by the chief justice.

31 Sec. 2. K.S.A. 1999 Supp. 8-2107 is hereby amended to read as fol-
32 lows: 8-2107. (a) (1) Notwithstanding any other provisions of the uniform
33 act regulating traffic on highways, when a person is stopped by a police
34 officer for any of the offenses described in subsection (d) and such person
35 is not immediately taken before a judge of the district court, the police
36 officer may require the person stopped, subject to the provisions of sub-
37 section (c), to deposit with the officer a valid Kansas driver's license in
38 exchange for a receipt therefor issued by such police officer, the form of
41 which shall be approved by the division of vehicles. Such receipt shall be
42 recognized as a valid temporary Kansas driver's license authorizing the
43 operation of a motor vehicle by the person stopped until the date of the
hearing stated on the receipt. The driver's license and a written copy of
the notice to appear shall be delivered by the police officer to the court

(d) The enactment of this legislation shall not be considered a statement of legislative intent to endorse or be considered the basis for continuing legislative funding support for the proposed nonjudicial pay plan contained in the report to the Kansas supreme court by the nonjudicial salary initiative entitled nonjudicial employee compensation submitted to the 2000 legislature.

1 having jurisdiction of the offense charged as soon as reasonably possible.
2 If the hearing on such charge is continued for any reason, the judge may
3 note on the receipt the date to which such hearing has been continued
4 and such receipt shall be recognized as a valid temporary Kansas driver's
5 license until such date, but in no event shall such receipt be recognized
6 as a valid Kansas driver's license for a period longer than 30 days from
7 the date set for the original hearing. Any person who has deposited a
8 driver's license with a police officer under this subsection (a) shall have
9 such license returned upon final determination of the charge against such
10 person.

11 (2) In the event the person stopped deposits a valid Kansas driver's
12 license with the police officer and fails to appear in the district court on
13 the date set for appearance, or any continuance thereof, and in any event
14 within 30 days from the date set for the original hearing, the court shall
15 forward such person's driver's license to the division of vehicles with an
16 appropriate explanation attached thereto. Upon receipt of such person's
17 driver's license, the division shall suspend such person's privilege to op-
18 erate a motor vehicle in this state until such person appears before the
19 court having jurisdiction of the offense charged, the court makes a final
20 disposition thereof and notice of such disposition is given by the court to
21 the division. No new or replacement license shall be issued to any such
22 person until such notice of disposition has been received by the division.
23 The provisions of K.S.A. 8-256, and amendments thereto, limiting the
24 suspension of a license to one year, shall not apply to suspensions for
25 failure to appear as provided in this subsection (a).

26 (b) No person shall apply for a replacement or new driver's license
27 prior to the return of such person's original license which has been de-
28 posited in lieu of bond under this section. Violation of this subsection (b)
29 is a class C misdemeanor. The division may suspend such person's driver's
30 license for a period of not to exceed one year from the date the division
31 receives notice of the disposition of the person's charge as provided in
32 subsection (a).

33 (c) (1) In lieu of depositing a valid Kansas driver's license with the
34 stopping police officer as provided in subsection (a), the person stopped
35 may elect to give bond in the amount specified in subsection (d) for the
36 offense for which the person was stopped. When such person does not
37 have a valid Kansas driver's license, such person shall give such bond.
38 Such bond shall be subject to forfeiture if the person stopped does not
39 appear at the court and at the time specified in the written notice pro-
40 vided for in K.S.A. 8-2106, and amendments thereto.

41 (2) Such bond may be a cash bond, a bank card draft from any valid
42 and unexpired credit card approved by the division of vehicles or super-
43 intendent of the Kansas highway patrol or a guaranteed arrest bond cer-

1 tificate issued by either a surety company authorized to transact such
 2 business in this state or an automobile club authorized to transact business
 3 in this state by the commissioner of insurance. If any of the approved
 4 bank card issuers redeem the bank card draft at a discounted rate, such
 5 discount shall be charged against the amount designated as the fine for
 6 the offense. If such bond is not forfeited, the amount of the bond less
 7 the discount rate shall be reimbursed to the person providing the bond
 8 by the use of a bank card draft. Any such guaranteed arrest bond certifi-
 9 cate shall be signed by the person to whom it is issued and shall contain
 10 a printed statement that such surety company or automobile club guar-
 11 antees the appearance of such person and will, in the event of failure of
 12 such person to appear in court at the time of trial, pay any fine or forfei-
 13 ture imposed on such person not to exceed an amount to be stated on
 14 such certificate.

15 (3) Such cash bond shall be taken in the following manner: The police
 16 officer shall furnish the person stopped a stamped envelope addressed to
 17 the judge or clerk of the court named in the written notice to appear and
 18 the person shall place in such envelope the amount of the bond, and in
 19 the presence of the police officer shall deposit the same in the United
 20 States mail. After such cash payment, the person stopped need not sign
 21 the written notice to appear, but the police officer shall note the amount
 22 of the bond mailed on the notice to appear form and shall give a copy of
 23 such form to the person. If the person stopped furnishes the police officer
 24 with a guaranteed arrest bond certificate or bank card draft, the police
 25 officer shall give such person a receipt therefor and shall note the amount
 26 of the bond on the notice to appear form and give a copy of such form
 27 to the person stopped. Such person need not sign the written notice to
 28 appear, and the police officer shall present the notice to appear and the
 29 guaranteed arrest bond certificate or bank card draft to the court having
 30 jurisdiction of the offense charged as soon as reasonably possible.

31 (d) The offenses for which appearance bonds may be required as
 32 provided in subsection (c) and the amounts thereof shall be as follows:

33 On and after July 1, 1996:

34 Reckless driving.....	\$82
35 Driving when privilege is canceled, suspended or revoked.....	82
36 Failure to comply with lawful order of officer.....	57
37 Registration violation (registered for 12,000 pounds or less).....	52
Registration violation (registered for more than 12,000 pounds).....	92
No driver's license for the class of vehicle operated or violation of	
40 restrictions.....	52
41 Spilling load on highway.....	52
42 Overload:	

1 Gross weight of vehicle or combination
2 of vehicles an amount equal to the fine plus docket
3 fee to be imposed if convicted
4 Gross weight upon any axle or tandem,
5 triple or quad axles..... an amount equal to the fine plus docket
6 fee to be imposed if convicted
7 Failure to obtain proper registration, clearance or to have current certi-
8 fication as required by K.S.A. 66-1324, and amendments thereto 272
9 Insufficient liability insurance for motor carriers pursuant to K.S.A. 66-
10 1,128 or 66-1314, and amendments thereto..... 122
11 Failure to obtain interstate motor fuel tax authorization pursuant to K.S.A.
12 79-34,122, and amendments thereto..... 122
13 Improper equipment (glass or fire extinguishers) 52
14 No authority as private, contract or common carrier 122
15 No current driver's daily log..... 52
16 Invalid or no physical examination card 52
17 Transporting open container of alcoholic liquor or cereal malt beverage
18 accessible while vehicle in motion 223

19 (e) In the event of forfeiture of any bond under this section, ~~\$45~~²²³ ~~46~~ **\$53**
20 of the amount forfeited shall be regarded as a docket fee in any court
21 having jurisdiction over the violation of state law.

22 (f) None of the provisions of this section shall be construed to conflict
23 with the provisions of the nonresident violator compact.

24 (g) When a person is stopped by a police officer for any traffic in-
25 fraction and the person is a resident of a state which is not a member of
26 the nonresident violator compact, K.S.A. 8-1219 *et seq.*, and amendments
27 thereto, or the person is licensed to drive under the laws of a foreign
28 country, the police officer may require a bond as provided for under
29 subsection (c). The bond shall be in the amount specified in the uniform
30 fine schedule in subsection (c) of K.S.A. 8-2118, and amendments
31 thereto, plus ~~\$45~~²²³ ~~46~~ **\$53** which shall be regarded as a docket fee in any court
32 having jurisdiction over the violation of state law.

33 (h) When a person is stopped by a police officer for failure to provide
34 proof of financial security pursuant to K.S.A. 40-3104, and amendments
35 thereto, and the person is a resident of another state or the person is
36 licensed to drive under the laws of a foreign country, the police officer
37 may require a bond as provided for under subsection (c). The bond shall
38 be in the amount of \$54, plus ~~\$45~~²²³ ~~46~~ **\$53** which shall be regarded as a docket
39 fee in any court having jurisdiction over the violation of state law.

40 Sec. 3. K.S.A. 20-1a04 is hereby amended to read as follows: 20-
41 1a04. The clerk of the supreme court shall remit to the state treasurer at
42 least monthly all moneys received by or for ~~him~~ *such clerk* for docket
43 fees, and all amounts received for other purposes than those specified in

1 K.S.A. 20-1a01, 20-1a02 or 20-1a03, and amendments thereto, unless by
 2 order of the supreme court ~~he~~ such clerk is directed to make other dis-
 3 position thereof. Upon receipt of any such remittance the state treasurer
 4 shall deposit and credit to the judicial branch nonjudicial salary initiative
 5 fund, a sum equal to 55% of the remittances of docket fees and to the state
 6 general fund, a sum equal to 45% of the remittance of docket fees. ~~The~~
 7 ~~entire amount thereof in the state treasury and the entire amount thereof~~
 8 ~~shall be credited to the state general fund.~~

9 Sec. 4. K.S.A. 1999 Supp. 20-367 is hereby amended to read as fol-
 10 lows: 20-367. Of the remittance of the balance of docket fees received
 11 monthly by the state treasurer from clerks of the district court pursuant
 12 to subsection (f) of K.S.A. 20-362, and amendments thereto, the state
 13 treasurer shall deposit and credit to the access to justice fund, a sum
 14 equal to ~~6.78%~~ ~~[5.34%]~~ of the remittances of docket fees; to the juvenile
 15 detention facilities fund, a sum equal to ~~4.35%~~ ~~[2.49%]~~ of the remittances
 16 of docket fees; to the judicial branch education fund, the state treasurer
 17 shall deposit and credit a sum equal to ~~3.34%~~ 2.63% of the remittances
 18 of docket fees; to the crime victims assistance fund, the state treasurer
 19 shall deposit and credit a sum equal to ~~0%~~ .71% of the remittances of
 20 the docket fees; to the protection from abuse fund, the state treasurer
 21 shall deposit and credit a sum equal to ~~2.68%~~ 2.11% of the remittances
 22 of the docket fees; to the judiciary technology fund, the state treasurer
 23 shall deposit and credit a sum equal to ~~6.77%~~ ~~[5.33%]~~ of the remittances
 24 of docket fees; to the dispute resolution fund, the state treasurer shall
 25 deposit and credit a sum equal to ~~5.6%~~ .44% of the remittances of docket
 26 fees; to the Kansas endowment for youth trust fund, the state treasurer
 27 shall deposit and credit a sum equal to ~~1.98%~~ 1.56% of the remittances
 28 of docket fees; and to the permanent families account in the family and
 29 children investment fund, the state treasurer shall deposit and credit a
 30 sum equal to ~~3.32%~~ .25% of the remittances of docket fees; to the trauma
 31 fund, a sum equal to ~~2.34%~~ ~~[1.84%]~~ of the remittance of docket fees; and
 32 to the judicial branch nonjudicial salary initiative fund, the state treasurer
 33 shall deposit and credit a sum equal to ~~21.28%~~ ~~[21.18%]~~ of the remittance of docket
 34 fees. The balance remaining of the remittances of docket fees shall be
 35 deposited and credited to the state general fund.

6.17%
 3.43%
 5.34%
 1.84%
 21.18%

36 Sec. 5. K.S.A. 1999 Supp. 28-172a is hereby amended to read as
 37 follows: 28-172a. (a) Except as otherwise provided in this section, when-
 38 ever the prosecuting witness or defendant is adjudged to pay the costs in
 39 a criminal proceeding in any county, a docket fee shall be taxed as follows:

40 On and after July 1, 1998:
 41 Murder or manslaughter
 42 Other felony
 43 Misdemeanor

\$164.50	
140.00	\$145.00
105.00	\$110.00

1 Forfeited recognizance 62.50

2 Appeals from other courts 62.50

3 (b) (1) Except as provided in paragraph (2), in actions involving the
4 violation of any of the laws of this state regulating traffic on highways
5 (including those listed in subsection (c) of K.S.A. 8-2118, and amend-
6 ments thereto), a cigarette or tobacco infraction, any act declared a crime
7 pursuant to the statutes contained in chapter 32 of Kansas Statutes An-
8 notated and amendments thereto or any act declared a crime pursuant
9 to the statutes contained in article 8 of chapter 82a of the Kansas Statutes
10 Annotated, and amendments thereto, whenever the prosecuting witness

11 or defendant is adjudged to pay the costs in the action, a docket fee of
12 ~~\$45~~ ~~46~~ shall be charged. When an action is disposed of under subsections

13 (a) and (b) of K.S.A. 8-2118 or subsection (f) of K.S.A. 79-3393, and
14 amendments thereto, whether by mail or in person, the docket fee to be
15 paid as court costs shall be ~~\$45~~ ~~46~~ \$53

16 (2) In actions involving the violation of a moving traffic violation under
17 K.S.A. 8-2118, and amendments thereto, as defined by rules and
18 regulations adopted under K.S.A. 8-249, and amendments thereto, when-
19 ever the prosecuting witness or defendant is adjudged to pay the costs in

20 the action, a docket fee of ~~\$45~~ ~~46~~ shall be charged. When an action is dis-
21 posed of under subsection (a) and (b) of K.S.A. 8-2118, and amendments
22 thereto, whether by mail or in person, the docket fee to be paid as court

23 costs shall be ~~\$45~~ ~~46~~ \$53

24 (c) If a conviction is on more than one count, the docket fee shall be
25 the highest one applicable to any one of the counts. The prosecuting
26 witness or defendant, if assessed the costs, shall pay only one fee. Multiple
27 defendants shall each pay one fee.

28 (d) Statutory charges for law library funds, the law enforcement train-
29 ing center fund, the prosecuting attorneys' training fund, the juvenile
30 detention facilities fund, the judicial branch education fund, the emer-
31 gency medical services operating fund and the judiciary technology fund
32 shall be paid from the docket fee; the family violence and child abuse and
33 neglect assistance and prevention fund fee shall be paid from criminal
34 proceedings docket fees. All other fees and expenses to be assessed as
35 additional court costs shall be approved by the court, unless specifically
36 fixed by statute. Additional fees shall include, but are not limited to, fees
37 for Kansas bureau of investigation forensic or laboratory analyses, fees for
38 detention facility processing pursuant to K.S.A. 1999 Supp. 12-16,119,
39 and amendments thereto, fees for the sexual assault evidence collection
40 kit, fees for conducting an examination of a sexual assault victim, fees for
41 service of process outside the state, witness fees, fees for transcripts and
42 depositions, costs from other courts, doctors' fees and examination and
43 evaluation fees. No sheriff in this state shall charge any district court of

1 this state a fee or mileage for serving any paper or process.

2 (e) In each case charging a violation of the laws relating to parking
3 of motor vehicles on the statehouse grounds or other state-owned or
4 operated property in Shawnee county, Kansas, as specified in K.S.A. 75-
5 4510a, and amendments thereto, or as specified in K.S.A. 75-4508, and
6 amendments thereto, the clerk shall tax a fee of \$2 which shall constitute
7 the entire costs in the case, except that witness fees, mileage and expenses
8 incurred in serving a warrant shall be in addition to the fee. Appearance
9 bond for a parking violation of K.S.A. 75-4508 or 75-4510a, and amend-
10 ments thereto, shall be \$3, unless a warrant is issued. The judge may
11 order the bond forfeited upon the defendant's failure to appear, and \$2
12 of any bond so forfeited shall be regarded as court costs.

13 Sec. 6. K.S.A. 1999 Supp. 60-2001 is hereby amended to read as
14 follows: 60-2001. (a) *Docket fee*. Except as otherwise provided by law, no
15 case shall be filed or docketed in the district court, whether original or
16 appealed, without payment of a docket fee in the amount of ~~\$66.50~~ \$100
17 to the clerk of the district court.

18 (b) *Poverty affidavit in lieu of docket fee*. (1) *Effect*. In any case where
19 a plaintiff by reason of poverty is unable to pay a docket fee, and an
20 affidavit so stating is filed, no fee will be required. An inmate in the
21 custody of the secretary of corrections may file a poverty affidavit only if
22 the inmate attaches a statement disclosing the average account balance,
23 or the total deposits, whichever is less, in the inmate's trust fund for each
24 month in (A) the six-month period preceding the filing of the action; or
25 (B) the current period of incarceration, whichever is shorter. Such state-
26 ment shall be certified by the secretary. On receipt of the affidavit and
27 attached statement, the court shall determine the initial fee to be assessed
28 for filing the action and in no event shall the court require an inmate to
29 pay less than \$3. The secretary of corrections is hereby authorized to
30 disburse money from the inmate's account to pay the costs as determined
31 by the court. If the inmate has a zero balance in such inmate's account,
32 the secretary shall debit such account in the amount of \$3 per filing fee
33 as established by the court until money is credited to the account to pay
34 such docket fee. Any initial filing fees assessed pursuant to this subsection
35 shall not prevent the court, pursuant to subsection (d), from taxing that
36 individual for the remainder of the amount required under subsection (a)
37 or this subsection.

38 (2) *Form of affidavit*. The affidavit provided for in this subsection
39 shall be in the following form and attached to the petition:

40 State of Kansas, _____ County.

41 In the district court of the county: I do solemnly swear that the claim set forth in the
42 petition herein is just, and I do further swear that, by reason of my poverty, I am unable to
43 pay a docket fee.

1 (c) *Disposition of docket fee.* The docket fee shall be the only costs
 2 assessed in each case for services of the clerk of the district court and the
 3 sheriff. The docket fee shall be disbursed in accordance with K.S.A. 20-
 4 362 and amendments thereto.

5 (d) *Additional court costs.* Other fees and expenses to be assessed as
 6 additional court costs shall be approved by the court, unless specifically
 7 fixed by statute. Other fees shall include, but not be limited to, witness
 8 fees, appraiser fees, fees for service of process outside the state, fees for
 9 depositions, alternative dispute resolution fees, transcripts and publica-
 10 tion, attorney fees, court costs from other courts and any other fees and
 11 expenses required by statute. All additional court costs shall be taxed and
 12 billed against the parties as directed by the court. No sheriff in this state
 13 shall charge any district court in this state a fee or mileage for serving any
 14 paper or process.

15 Sec. 7. K.S.A. 1999 Supp. 61-2501 is hereby amended to read as
 16 follows: 61-2501. (a) *Docket fee.* No case shall be filed or docketed pur-
 17 suant to this chapter without the payment of a docket fee in the amount
 18 of ~~\$10.50, if the amount in controversy or claimed does not exceed \$500;~~
 19 ~~\$30.50, if the amount in controversy or claimed exceeds \$500 but does~~
 20 ~~not exceed \$5,000; ~~\$45~~, if the amount in controversy or claimed does not~~
 21 ~~exceed \$5,000, or ~~\$64.50~~ ~~\$75~~, if the amount in controversy or claimed~~
 22 ~~exceeds \$5,000.~~ If judgment is rendered for the plaintiff, the court also
 23 may enter judgment for the plaintiff for the amount of the docket fee
 24 paid by the plaintiff.

\$25
 \$45
 \$500
 \$500 but does not exceed \$5,000 or \$75 if the amount in controversy exceeds \$5,000

25 (b) *Poverty affidavit; additional court costs.* The provisions of sub-
 26 sections (b), (c) and (d) of K.S.A. 60-2001 and amendments thereto shall
 27 be applicable to actions pursuant to this chapter.

28 Sec. 8. K.S.A. 1999 Supp. 61-2704 is hereby amended to read as
 29 follows: 61-2704. (a) An action seeking the recovery of a small claim shall
 30 be considered to have been commenced at the time a person files a writ-
 31 ten statement of the person's small claim with the clerk of the court if,
 32 within 90 days after the small claim is filed, service of process is obtained
 33 or the first publication is made for service by publication. Otherwise, the
 34 action is deemed commenced at the time of service of process or first
 35 publication. An entry of appearance shall have the same effect as service.

36 (b) Upon the filing of a plaintiff's small claim, the clerk of the court
 37 shall require from the plaintiff a docket fee of ~~\$10.50~~ \$25, if the claim
 38 does not exceed \$500; or ~~\$30.50~~ \$45, if the claim exceeds \$500; unless
 39 for good cause shown the judge waives the fee. The docket fee shall be
 40 the only costs required in an action seeking recovery of a small claim. No
 41 person may file more than 10 small claims under this act in the same
 42 court during any calendar year.

43 Sec. 9. K.S.A. 20-1a04 and K.S.A. 1999 Supp. 8-2107, 20-367, 20-

- 1 367a, 28-172a, 60-2001, 61-2501 and 61-2704 are hereby repealed.
- 2 Sec. 10. This act shall take effect and be in force from and after its
- 3 publication in the statute book.