

February 19, 2025

The Honorable Kellie Warren, Chairperson
Senate Committee on Judiciary
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Senator Warren:

SUBJECT: Fiscal Note for SB 242 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 242 is respectfully submitted to your committee.

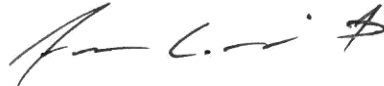
SB 242 would allow a political subdivision to enter into a contingent fee contract for legal services. The bill would require a meeting to be called, a list to be provided as to why services are needed, and a contract would be approved in an open meeting after discussion and consideration. Before a contract would be effective and enforceable, the political subdivision would be required to get the Attorney General's approval. The bill details the information that would be provided to the Attorney General for review. The Attorney General would either approve or refuse to approve the contract within 90 days and if no action is taken by the Attorney General, then the contract would be deemed to be approved. A contingent fee contract for legal services that was entered into prior to July 1, 2025, would be submitted to the Attorney General for review no later than July 1, 2026. The provisions of the bill would expire on July 1, 2029.

The Office of the Attorney General states that the bill's enactment would require the review of contingency fee contracts and intervention in lawsuits when contracts are not properly executed. However, the Office would not require additional staff to perform those responsibilities, but it would require \$5,000 from the State General Fund starting in FY 2026 for document storage, office supplies, and travel for court hearings.

The Office of Judicial Administration states that the bill could have a negligible effect on operating expenditures; however, the Office cannot estimate a precise fiscal effect. Any fiscal effect associated with SB 242 is not reflected in *The FY 2026 Governor's Budget Report*.

The League of Kansas Municipalities indicated that the bill could have a negligible fiscal effect on cities if agreements are not approved by the Attorney General, which would force cities to use an hourly fee structure. However, the League is unable to estimate a fiscal effect. The Kansas Association of Counties states that the bill would not have a fiscal effect on counties because the bill does not prevent recovery in lawsuits.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Matt Bingesser, Office of the Attorney General
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Trisha Morrow, Judiciary