

KANSAS CREDIT ATTORNEYS ASSOCIATION

SENATE BILL NO. 322

SENATE COMMITTEE ON JUDICIARY

February 16, 2012

Chairman Owens and Members of the Senate Committee on Judiciary:

I appreciate this opportunity to submit remarks to you on behalf of the Kansas Credit Attorney Association.

Last session, we made the very difficult and controversial decision to remain silent on the surcharge increase despite knowing the harmful effect it would have on our clients and the courts. While, we understand that a surcharge is the only means of seeing that 100% of funds paid are deposited into the court's coffers instead of seeing them divvied up amongst 16-17 other groups as happens with the docket fees.

The revenue numbers reported by the court reveal that our concerns are concrete reality. Since the most recent increase, surcharge revenues are down approximately \$1 million with limited actions filing seeing a 14% drop.

Creditors are finding cheaper methods of recovering debts and enforcing judgments than those offered in the courts. This drop in revenue will persist so long as the surcharge continues and will hasten exponentially should the sheriff service fees jump 500% as proposed in Senate Bill No. 283. The net effect of both bills would be a \$42.50 surcharge on each post-judgment action.

While access to the courts is dependent upon revenue, limited actions cases provide more collected revenue than any other category of case filed with the least amount of taxation upon a judge's docket. However, this is changing and will continue to change as the fees disproportionately increase.

While, counterintuitive the Courts would benefit by decreasing the surcharge and the rejection of Senate Bill No. 283 by seeing an increase in the volume of limited action post-judgment activities. Rather than the precipitous decline, that may be extrapolated from the Court's own numbers, as a result of the continued surcharge and sheriff's fee increases.

Thank you for your consideration.

Brandy L. Sutton
Legislative Committee
Kansas Credit Attorneys Association