

SESSION OF 2011

SUPPLEMENTAL NOTE ON SENATE BILL NO. 79

As Recommended by Senate Committee on
Judiciary

Brief*

SB 79 would amend the state debt setoff law to provide that the collection assistance fee for all debts owed to a court shall be paid by the debtor as an additional cost, rather than deducted from the debts owed to a court.

Background

The state debt setoff law, found in KSA 75-6201, *et seq.*, provides tools for the collection of debts owed to the state or of support debts owed to persons who are using certain state agencies or contractors to collect such debt. An example of an available tool under this law is the setoff of a debt against a debtor's income tax refund.

The Kansas Association of District Court Clerks and Administrators (KADCCA), through the Judicial Branch, requested the Senate Judiciary Committee introduce SB 79.

In the Senate Judiciary Committee, a representative of the KADCCA appeared in support of SB 79, explaining that courts utilizing the debt setoff collection procedure currently receive 17 percent less than the actual debt owed, due to the collection fee. The proponent explained this bill would bring the fee assessment under the debt setoff law in line with KSA 2010 Supp. 75-719, which governs collection of debts owed to courts. No opponents provided testimony. The Committee made no changes to the bill and recommended it be passed.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal note on the bill states the bill would have no fiscal effect on the Department of Administration. Additional information submitted by the KADCCA and the Department of Administration, Division of Accounts and Reports, suggests the bill could increase revenue to the district courts by adding the collection fee to the debt amount owed, rather than deducting the collection fee from the amount owed to the district courts. The collection fee rate used over the past five years has been 17 percent, and the total amount of collection fees retained by the Department of Administration from debts owed the district courts over that time has been about \$219,000.