

SESSION OF 2013

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2204**

As Agreed to April 5, 2013

Brief*

HB 2204 would extend, for two years, the judicial surcharge the Legislature authorized in 2010 Senate Sub. for HB 2476 to fund non-judicial personnel.

Conference Committee Action

The Conference Committee agreed to move the language of HB 2204, as it passed the Senate, into HB 2081, and replace it with the portion of SB 218 extending the judicial surcharge for non-judicial personnel.

Background

As introduced, HB 2204 would have amended law related to mortgage redemption. In the House Committee on Judiciary, a representative of the Kansas Bankers Association (KBA) appeared in support of the bill. No others offered testimony.

The House Committee amended the bill to strike the requirement that a residence be the "principal" residence of natural persons and replaced it with the requirement that the dwelling is "their" residence.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/klrd>

In the Senate Committee on Judiciary, a representative of the KBA appeared in support of the bill and offered an amendment to remove proposed new language concerning creditors who may redeem and restore the text in current statute.

The Senate Committee adopted the KBA amendment.

The Division of the Budget's fiscal note for the bill, as introduced, indicates passage would have no impact on the judicial branch.

Background of SB 218

As introduced, SB 218 would have extended the Judicial Branch surcharge for two additional years, removed the percentage split mechanism through which portions of docket fees are credited to a number of state funds, and made several technical changes.

In the Senate Ways and Means Committee, a representative of the Judicial Branch offered written testimony in support of the bill. The Judicial Branch indicated the continuation of the surcharge was important to continued funding of the courts, but expressed some concerns with the language in the bill; specifically, that the bill imposed the same limitations on the Docket Fee Fund as were in current law upon the Judicial Branch Surcharge Fund. A representative of the Kansas Credit Attorney Association offered testimony in opposition to the bill, stating the surcharge negatively impacts limited action cases resulting in a net reduction in total docket fee revenue.

A representative of the Kansas Attorney General's Office offered written testimony neutral to the bill. The Kansas Attorney General's Office expressed concern that the bill would direct docket fees to the Judicial Branch rather than depositing the revenue within the funds within the Attorney General's Office.

Representatives of the Family Crisis Center, Harvey County, Kansas Coalition Against Sexual and Domestic Violence, Kansas Legal Services, and Safehomes testified in opposition to the bill. Each of the non-state agencies listed above indicated the bill jeopardized the funding for the operations of their respective organizations.

The Senate Ways and Means Committee amended the bill to remove restrictions on the Judicial Branch Docket Fee Fund and allow the agency to expend the funds for purposes other than non-judicial salaries. The amendment also clarified that the Docket Fee Fund would receive the balance of all docket fees remitted by the District Court Clerks.

The Senate Committee of the Whole amended the bill to exempt the Judicial Council Fund from the provisions of the bill. Under the amended bill, the Judicial Council Fund will continue to receive a distribution of docket fees as established in statute.

According to the fiscal note prepared by the Division of the Budget, passage of the bill, as introduced, would have a fiscal effect on revenues for the Judicial Branch and other state agencies. In FY 2012, the Judicial Branch surcharge generated \$10.4 million; in FY 2013, the Judicial Branch estimates it will generate \$10.2 million in receipts. The passage of the bill would continue the surcharge revenue for FY 2014 and FY 2015 and direct it to the Judicial Branch Docket Fee Fund.

The Office of Judicial Administration estimates the docket fee revenue in FY 2014 will be \$18.3 million. Of that total, \$7.8 million would be credited to funds within the Judicial Branch, \$1.7 million would go to other state and local agencies, and \$8.8 million would go to the State General Fund. Passage of the bill would result in the entire amount of revenue going to the Judicial Branch. This would reduce revenues to a number of other agencies in state government, including the Judicial Council, the Office of the Attorney General, and the Kansas Department of Health and

Environment, as well as grant funding to local agencies and organizations.

Judicial Branch; surcharge to fund non-judicial personnel

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