

March 14, 2013

The Honorable Jeff King, Chairperson
Senate Committee on Judiciary
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator King:

SUBJECT: Fiscal Note for SB 89 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 89 is respectfully submitted to your committee.

Current law allows creditors to receive interest at the rate of ten percent annually when no other rate of interest is agreed upon. SB 89 would make the rate of interest equal to an amount that is one percentage point above the discount rate as of July 1 preceding the date when the judgment was rendered. The rate will change annually on July 1 and the Office of the Secretary of State must publish notice of the interest rate no later than the second issue of the *Kansas Register* published in July of each year. In addition, SB 89 would remove language in current law that allows a 12.0 percent per year rate of interest on judgments rendered by courts under the Code of Civil Procedure for Limited Actions and states that after July 2, 1996, there is a presumption that a ten percent annual interest rate should be applied to judgments arising from a person's duty to support another person. The bill would also prohibit a court from awarding pre-judgment interest on any unliquidated, punitive, exemplary or future damages that are found by the trier of fact and defines "future damages."

According to the Office of Judicial Administration and the Office of the Secretary of State, passage of SB 89 would have no fiscal effect on state revenue or expenditures.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mary Rinehart, Judiciary
Rachel Sciolaro, Secretary of State's Office