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To: Senate Committee on Ways and Means

From: Dezeree Hodish, Fiscal Analyst

Re: HB 2662 – The Claims Bill

HB 2662

Excluding Motor Vehicle Fuel Tax Refund claims, during the 2015 Interim, the Joint Committee on Special Claims Against the State heard 65 claims, of which 55 claims or 84.6 percent, were filed against the Department of Corrections, the correctional facilities, or correctional industries. Claims also were filed against the Board of Tax Appeals; Larned State Hospital; Department of Wildlife, Parks and Tourism; Kansas Highway Patrol; University of Kansas; Wichita State University; Adjutant General's Department; Kansas Courts; State of Kansas; and Department of Revenue.

The Committee's recommendation, in HB 2662 as introduced, totaled payments of \$96,355.69, including \$73,411.85 from the State General Fund. Of the State General Fund amount, \$61,418.22 would be newly appropriated from the State General Fund and \$11,993.63 would have been paid from existing funds.

The House Committee on Appropriations amended the bill to strike a claim of \$94.60 that Hutchinson Correctional Facility would have been directed to pay from existing resources. (The claimant decided not to pursue the claim). The House Committee of the Whole also amended the bill to direct the Kansas Highway Patrol to pay \$17,660 from existing funds for a claim that the Joint Committee on Special Claims Against the State did not recommend be paid.

HB 2662, as amended, totals payments of \$113,921.09, including \$73,317.25 from the State General Fund. Of the State General Fund amount, \$61,418.22 would be newly appropriated, and \$11,899.03 would be paid from existing funds. The bill includes payment of \$22,943.84 from the Motor Vehicle Fuel Tax Refund Fund and \$17,660 from the Kansas Highway Patrol Operation Fund.

A summary of the provisions of the bill follows.

Section 1, page 1

This section would specify FY 2016 as the year in which claims would be paid.

Section 2, pages 1-2

The bill includes payment of \$7,262.80 from the Department of Corrections, correctional facilities, or correctional industries. Of this amount, the majority, \$6,506.21, would be paid to a company that contracts with Kansas Correctional Industries to provide yellow pigment for use in traffic coatings. The contractor inadvertently billed less than the approved contract rate. The other payments included in this section were for reimbursement of post-release fees already paid, lost books, radio, wedding band, headphones, MP3 player, remote control, television, ice chest, shoes, photo album, sunglasses, tumbler, hot pot, mirror, alarm clock, desk lamp, damaged headphones, and a wrist watch.

Section 3, page 2

The bill includes payment of \$636.23 from Larned State Hospital for a lost laptop and accompanying accessories.

Section 4, pages 2-3

The bill includes payment of \$4,000 from the Adjutant General's Department for attorney fees related to the settlement of a complaint filed with the Equal Employment Opportunity Commission against the agency.

Section 5, page 3

The bill includes payment of \$17,660 from the Kansas Highway Patrol, the return of funds seized during an automobile stop.

Section 6, page 3

The bill includes payment of \$61,418.22 to McPherson and Butler counties for reimbursement of legal costs incurred for sexually violent predator proceedings. KSA 2015 Supp. 59-29a04(e) stipulates the Attorney General's Office is responsible for reimbursing counties for legal costs. If funding available in the Sexually Violent Predator Fund is insufficient to cover all reimbursement costs, current law allows counties to file claims against the state to seek reimbursement.

Section 7, pages 3-4

The bill includes payment of Motor Fuel Tax Refund claims totaling \$22,943.84. Refunds paid by the Department of Revenue must be received within one year after the date of purchase. If the refund request is submitted after that date, the only option is to file claim with the Joint Committee on Special Claims Against the State. Refunds are allowed for taxes paid on fuel used for off-highway uses, including construction and farming, and for school buses.

Section 8, page 4

The bill would require signed releases prior to payments being made.

Section 9, page 5

The bill would be effective upon publication in the *Kansas Register*.

DMH/rcc