

January 21, 2015

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

Dear Senator King:

SUBJECT: Fiscal Note for SB 19 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 19 is respectfully submitted to your committee.

SB 19 would authorize the Office of Administrative Hearings to permit parties, with the consent of the parties, to file documents relating to pending hearings via electronic transmission. Correspondingly, with the consent of any given party, the bill would authorize electronic service of process upon that party for notices, orders and other formal communications regarding their case. Current law allows filings to be submitted in administrative cases only by mail or facsimile.

The Office of Administrative Hearings' operations are financed by hourly rates charged to its client agencies. The ability of parties to e-file documents would result in savings of postage, copying expenses, and other processing costs, but cannot be estimated with any reliability at this time. The number of parties in the Office of Administrative Hearings proceedings who would consent to and utilize e-filing is highly speculative at this time. An implementation time of up to 12 months to design and configure a secure means by which any party's e-filed documents could be acknowledged, time-verified, and accurately associated with their respective pending cases would be required. The Office of Administrative Hearings could absorb these nonrecurring implementation costs within its currently budgeted resources.

The Kansas Insurance Department, the Kansas Corporation Commission, and the Kansas Association of Counties state that allowing an electronic means for service of process could reduce costs for postage and envelopes. However, the savings cannot be estimated. The Office of Judicial Administration states that it is unlikely that the provisions of the bill would have a fiscal impact on

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Judicial Branch expenditures. Any fiscal effect associated with SB 19 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Mary Rinehart, Judiciary
Amy Gilbert, KCC
Jack Smith, Department of Revenue
Glenda Haverkamp, Insurance
Bob Corkins, Administrative Hearings