

March 19, 2021

The Honorable Fred Patton, Chairperson
House Committee on Judiciary
Statehouse, Room 519C-N
Topeka, Kansas 66612

Dear Representative Patton:

SUBJECT: Fiscal Note for HB 2412 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2412 is respectfully submitted to your committee.

HB 2412 would enact the Kansas Fights Addiction Act. The bill would require the Attorney General to remit monies received by the state for opioid litigation dedicated for abatement or remediation of substance abuse or addiction to be deposited into the Kansas Fights Addiction Fund, which would be created by the bill. The bill also creates the Kansas Fights Addiction Review Board that would comprise 11 members. The Board would receive and consider applications for grants from the Kansas Fights Addiction Fund. The Board would submit an annual report of its activities of the prior calendar year by March 1. The Attorney General could contract with the Sunflower Foundation to provide administration, monitoring, and assurance of compliance.

The bill would require the Attorney General or any municipality engaging in opioid litigation to pay its own costs, expenses and attorney's fees. Funds in the Kansas Fights Addiction Fund would not be allowed to be spent for those purposes. The bill would prohibit municipalities from filing or maintaining any opioid litigation without the prior approval of the Attorney General on and after January 1, 2021. The bill would become effective upon publication of the *Kansas Register*.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	--
Expenditure	--	\$67,009	--	\$69,114
FTE Pos.	--	1.00	--	1.00

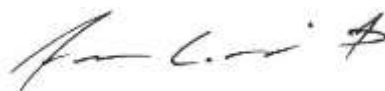
According to the Office of the Attorney General (OAG), prohibiting municipalities from bringing any additional claims after January 1, 2021, would allow the state to bring to conclusion pending litigation, and ensure that the maximum amount of funds recovered through opioid litigation would go to treatment programs. It is likely that these recoveries could be in the millions of dollars. Because the bill allows the OAG to contract with the Sunflower Foundation for administration of the grant funds, the administrative costs to the OAG would be negligible and could be absorbed within existing resources.

The Office of Judicial Administration indicates that enactment of SB 264 could impact expenditures because the bill could force the end of some opioid litigation or prohibit more opioid litigation and therefore fewer court cases would be filed. The bill could also reduce docket fee revenues due to fewer cases. However, a fiscal effect cannot be estimated.

The Kansas Department of Health and Environment (KDHE) indicates that it would require \$67,009 in FY 2021 and \$69,114 in FY 2022 from the Kansas Fights Addiction Fund. The funds would be to support 1.00 FTE position that would help coordinate the program and support the coalition. Because of the decentralized process outlined in bill, KDHE assumes it would need to be involved to consult and collaborate with internal and external partners to support data collection, data analysis, and statewide and community level coordination, as well as to respond to any ad hoc needs of the Board. Any fiscal effect associated with HB 2412 is not reflected in *The FY 2022 Governor's Budget Report*.

The Kansas Association of Counties indicates that it would receive funds from grants to address opioid addiction and the costs associated with addiction and death as a result of opioids. However, the Association cannot estimate a fiscal effect. The League of Kansas Municipalities states that the bill could have both positive and negative effects on cities depending on litigation status and whether a city is awarded a grant. However, the League is unable to estimate a fiscal effect.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Willie Prescott, Office of the Attorney General
Wendi Stark, League of Municipalities
Jay Hall, Association of Counties
Debbie Thomas, Judiciary
Dan Thimmesch, Health & Environment
Bobbi Mariani, Insurance