

SESSION OF 2022

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2541

As Recommended by House Committee on
Appropriations

Brief*

HB 2541 would shift deposit of certain fees and surcharges from Judicial Branch fee funds to the State General Fund (SGF).

Driver's License Reinstatement Fee

Currently, the first \$15 and 41.17 percent of the remaining amount of the driver's license reinstatement fee is credited to the Judicial Branch Nonjudicial Salary Adjustment Fund. The bill would shift the deposit of these amounts to the SGF.

Supreme Court Docket Fees

Currently, docket fees received by the clerk of the Supreme Court are split between the Judicial Branch Nonjudicial Salary Initiative Fund, the Judicial Branch Nonjudicial Salary Adjustment Fund, and the Judicial Branch Docket Fee Fund. The bill would shift the deposit of these amounts to the SGF.

District Court Docket Fees

Currently, the balance of revenues received from district court docket fees, following deduction of other specified

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

amounts, is credited to the Judicial Branch Docket Fee Fund. The bill would shift the deposit of these amounts to the SGF.

Marriage License Fees

Currently, 15.25 percent of marriage license fees is credited to the Nonjudicial Salary Adjustment Fund, among other percentages credited to other fee funds, with the remainder deposited in the SGF. The bill would remove the percentage credited from marriage license fees, which would increase the remaining amount to be deposited in the SGF.

Judicial Branch Surcharge

Currently, certain additional charges that may be imposed by the Supreme Court are credited to the Judicial Branch Docket Fee Fund. The bill would shift the deposit of these amounts to the SGF.

Other Amendments

The bill would remove provisions allowing expenditures to be made from the Judicial Branch Docket Fee Fund for educational and training services and programs and allowing fees to be charged for such services and programs. The bill would remove outdated language regarding certain transfers. Finally, the bill would make technical amendments to clarify language related to certain funds.

Background

The bill was introduced by the House Committee on Appropriations at the request of a representative of the Judicial Branch.

House Committee on Appropriations

In a House Committee hearing on February 9, 2022, Chief Justice Marla Luckert of the Kansas Supreme Court testified as a **proponent**, indicating about 80.0 percent of the Judicial Branch's core operations are funded with SGF while the remainder is primarily funded through user fees. The Chief Justice noted a sharp decrease in user fee revenue during the COVID-19 pandemic necessitated the Supreme Court to impose a statewide hiring freeze within the agency and request the 2021 Legislature for an additional appropriation of \$7.4 million SGF to compensate for the deficit. Chief Justice Luckert further indicated, pending enactment of the bill, the Judicial Branch would rescind the current surcharge order (2019 SC 39) and make future budget requests from SGF instead. In response to a question from the Committee, the Judicial Administrator of the Judicial Branch estimated the bill would result in a net neutral exchange in most years and create a more stable funding structure for the Judicial Branch, as the SGF can better absorb lost revenue in times of hardship.

Written-only proponent testimony was provided by a representative of the Kansas District Judges' Association and a representative of the Kansas Bar Association.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Office of Judicial Administration estimates approximately \$29.4 million in collections from fees each year. The Office states that if the fees that are redirected to the SGF are not replaced with an equal appropriation from the SGF in FY 2023, the Judicial Branch would face a revenue shortfall to meet its budgeted expenditures. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Judicial branch; surcharge; fees