

February 28, 2024

The Honorable Nick Hoheisel, Chairperson
House Committee on Financial Institutions and Pensions
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Hoheisel:

SUBJECT: Fiscal Note for HB 2812 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2812 is respectfully submitted to your committee.

HB 2812 would revise the Kansas Mortgage Business Act by transferring mortgage provisions contained in the Kansas Consumer Credit Code to the Act. The bill would add and revise certain definitions, terms, and conditions.

HB 2812 would also amend the Uniform Consumer Credit Code. The bill would modify consumer loan finance charges and repayment terms as well as increase the threshold for certain consumer loans and leases. The bill would also make technical changes.

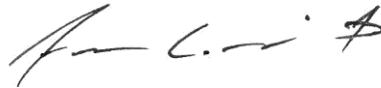
The Office of Judicial Administration indicates HB 2812 could increase the number of cases filed in the district courts because the provisions are subject to the Kansas Judicial Review Act. These provisions would increase time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The enactment of the bill could increase the collection of docket fees, fines, and supervision fees that would be deposited into the State General Fund. The agency indicates that it is unable to estimate a precise fiscal effect.

The Office of the State Bank Commissioner indicates HB 2812 would not have a fiscal effect on its operations. The Department of Credit Unions indicates enactment of HB 2812 would require the agency to expend \$564 from its fee fund to review changes in the applicable statutes revised by the bill, prepare any changes to the agency's program, and disseminate information to staff about the revised statutes and agency program changes. However, those expenditures could be absorbed within its existing resources.

The Office of Attorney General indicates enactment of HB 2812 would require the agency to hire 1.00 Administrative Assistant position and 1.00 Attorney FTE position to evaluate violations for criminal prosecution. The agency estimates the positions would cost \$210,000 in FY 2025 and \$231,000 in FY 2026 from the State General Fund.

The Kansas Sentencing Commission indicates that a person convicted under HB 2812 would be sentenced to diversion or probation instead of prison. There would be no impact on prison admissions, beds, or the Commission's workload. The Department of Corrections indicates that since HB 2812 does not create new crimes or change penalties for violations, the bill would not have an impact on prison bed space. Any fiscal effect associated with HB 2812 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Trisha Morrow, Judiciary
Scott Schultz, Kansas Sentencing Commission
Jennifer King, Department of Corrections
William Hendrix, Office of the Attorney General
Paul Weisgerber, Kansas Bureau of Investigation
Barbara Albright, Office of the State Bank Commissioner
Julie Murray, Department of Credit Unions