

SESSION OF 2018

**CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 261**

As Agreed to April 26, 2018

Brief*

SB 261 would amend provisions concerning state agency duties regarding docket fees, marriage licenses, the regulation of scrap metal, the Crime Victims Compensation Board, and transfer of the duty to appoint an appraiser.

Docket Fees

The bill would amend the statute governing disposition of docket fees to extend from June 30, 2019, until June 30, 2021, the period during which the State Treasurer shall deposit and credit the first \$3.1 million to the Electronic Filing and Management Fund (Fund). Beginning with the fiscal year ending June 30, 2022, the bill would increase from \$1.0 million to \$1.5 million the amount the State Treasurer would be directed to deposit and credit to the Fund in subsequent years.

Marriage Licenses

The bill would replace the requirement that the judge or clerk of a district court record the marriage on the court's marriage record and forward the license, marriage certificate, names of the parties, and name and address of the officiant to the Secretary of Health and Environment (Secretary), with

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a requirement that the judge or clerk submit the information from the license to the vital statistics integrated information system maintained by the Secretary, or by other means as designated by the Secretary and the Judicial Administrator. The bill would remove a requirement that the judge or clerk notify the Secretary if no marriage license has been issued during a month.

Scrap Metal Theft Reduction Act

The bill would delay or make unenforceable certain provisions of the Scrap Metal Theft Reduction Act (Act) until January 1, 2020. The following provisions would be delayed by the bill:

- A requirement that the Attorney General establish a central database for the Act and certain actions required of scrap metal dealers related to registering for the database;
- The ability for the Attorney General, upon a finding that a scrap metal dealer has violated any provision of the Act, to impose a civil penalty not less than \$100 nor more than \$5,000;
- The requirements that a scrap metal dealer obtain a copy of an identification card of a seller of scrap metal and a photograph of the item or items being sold; and
- A prohibition on certain actions related to purchasing and disposing of scrap metal.

Current law delays these provisions until January 1, 2019.

The bill would require the Attorney General to report to the President of the Senate, Speaker of the House of Representatives, and standing judiciary committees on or

before February 1, 2019, on the progress achieved in establishing the required database.

Crime Victims Compensation Board

The bill would amend law governing awards from the Crime Victims Compensation Board. Specifically, the bill would amend the definition of “collateral source” to specify it means the “net financial benefit” received by a victim or claimant from various sources and excludes taxes, legal fees, costs, expenses of litigation, liens, offsets, credits, or other deductions from the benefit received. The definition would also be amended to include “damages awarded in a tort action” received by or readily available to the victim or claimant.

Transfer of the Duty to Appoint an Appraiser

The bill would amend law requiring an appraisal prior to the State purchasing or disposing of any real property. The bill would transfer the duty to appoint a disinterested appraiser from the Judicial Administrator to the Director of Property Valuation, the head of the Department of Revenue’s Division of Property Valuation. Similarly, if the county assessment value of the real property is more than \$200,000, the bill would allow the Director of Property Valuation to appoint three disinterested appraisers, rather than the Judicial Administrator.

Effective Date

The bill would be in effect upon publication in the *Kansas Register*

Conference Committee Action

The Conference Committee agreed to the contents of SB 261, as amended by the House Committee, which includes the contents of SB 309, concerning docket fees. Additionally, the Conference Committee agreed to add the contents of SB 266, as amended by the House Committee, concerning the Crime Victims Compensation Board; SB 429, as amended by the Senate Committee of the Whole, concerning the Scrap Metal Theft Reduction Act; and HB 2474, concerning marriage licenses. Background information for each of these bills appears below.

Background

SB 261 (Transfer of the Duty to Appoint an Appraiser)

SB 261 was introduced by Senator Wilborn. As introduced and passed by the Senate, SB 261 contained the provisions regarding transfer of the duty to appoint an appraiser.

In the Senate Committee on Judiciary hearing, a representative of the Judicial Branch appeared as a proponent of the bill and explained the duty to appoint appraisers in these scenarios is far removed from duties tied to judicial administration. Further, the representative indicated the bill represents an agreement between the Judicial Branch and the Department of Revenue for the Director of Property Valuation to assume this role. No other testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

In the House Committee on Judiciary hearing, a representative of the Judicial Branch appeared as a proponent of the bill. No other testimony was provided.

The House Committee amended the bill to add the provisions of SB 309, regarding disposition of docket fees. [Note: The Conference Committee retained this amendment.] Background information of SB 309 is provided below.

According to the fiscal note prepared by the Division of the Budget on SB 261, as introduced, the Office of Judicial Administration indicates enactment of the bill would eliminate staff time and resources used to appoint appraisers; however, those savings are estimated to be negligible. Any fiscal effect associated with enactment of SB 261 is not reflected in *The FY 2019 Governor's Budget Report*.

SB 309 (Disposition of Docket Fees)

SB 309 was introduced by the Senate Committee on Judiciary at the request of the Judicial Branch. In the Senate Committee on Judiciary and House Committee on Judiciary hearings, a representative of the Judicial Branch appeared in support of the bill and explained the bill would extend the deposit of the first \$3.1 million of docket fee revenue into the Fund by two years before that amount is reduced to \$1.5 million to cover the cost of maintenance. The representative stated the extension is needed because of ongoing development and implementation of the eCourt project. Additionally, current estimates indicate the annual cost of maintenance will be \$1.5 million, rather than \$1.0 million. A representative of the Kansas Bar Association provided written-only testimony supporting the bill. No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget on SB 309, the Office of Judicial Administration (OJA) indicates there would be no net change in expenditures to the Judicial Branch budget, as the bill would increase expenditures from the Fund and decrease expenditures from the Judicial Branch Docket Fee Fund. OJA also indicates there would be no net revenue change to the Judicial Branch.

Any fiscal effect associated with enactment of SB 309 is not reflected in *The FY 2019 Governor's Budget Report*.

SB 266 (Crime Victims Compensation Board)

SB 266 was introduced at the request of the Office of the Attorney General (AG's Office). As introduced and passed by the Senate, the bill would have amended the definition of collateral source to include "any other source." In the Senate Committee on Judiciary and House Committee on Judiciary hearings, a representative of the AG's Office appeared in support of the bill and explained the Crime Victims Compensation Board is intended to be a payer of last resort, and the law allows the Board to reduce or deny compensation to the extent a claimant has recovered from a collateral source. Further, the representative explained victims sometimes recover from sources not currently listed and, without this change, victims may recover compensation from other sources as well as from the Board for the same loss. No other testimony was provided.

The House Committee amended the bill to replace the phrase "any other source" with "damages awarded in a tort action" and to add language regarding net financial benefit and exclusions to the definition of collateral source. [Note: The Conference Committee retained these amendments.]

According to the fiscal note prepared by the Division of the Budget on SB 266, as introduced, the AG's Office indicates enactment of the bill could decrease payment to claimants from the Crime Victims Compensation Fund because it would expand the definition of what would be considered a collateral source, thereby enabling the AG's Office to deny or recover additional payments to claimants who have received compensation. The AG's Office indicates the fiscal effect would be negligible. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor's Budget Report*.

SB 429 (Scrap Metal Theft Reduction Act)

SB 429 was introduced by the Senate Committee on Assessment and Taxation. In the Senate Committee hearing, testimony in support of the bill was provided by a scrap metal dealer. Written-only testimony in support of the bill was provided by a representative of Advantage Metals Recycling. Neutral testimony was provided by a representative of the Kansas Elective Cooperatives, also representing various other utility companies. Written-only neutral testimony was provided by representatives of the Attorney General, Kansas Grain and Feed Association, and other agricultural organizations. No opponent testimony was provided.

On March 27, the Senate Committee of the Whole amended the bill to add the provision requiring the Attorney General to report by February 1, 2019, on the status of the required database. [*Note: The Conference Committee retained this amendment.*]

According to the fiscal note prepared by the Division of the Budget on SB 429, as introduced, the AG's Office estimates enactment of the bill would result in a reduction of revenue to the Scrap Metal Theft Reduction Fund by \$42,000 in FY 2019 as a result of delayed registrations. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor's Budget Report*.

HB 2474 (Marriage Licenses)

HB 2474 was introduced by the House Committee on Judiciary at the request of the Judicial Branch. In the House Committee hearing, a representative of the Kansas Association of District Court Clerks and Administrators testified in support of the bill, explaining that district court clerks currently enter marriage license information electronically *via* the information system, making the sending of the physical marriage license redundant. A representative of the Kansas Department of Health and Environment

provided neutral written-only testimony. No opponent testimony was provided. The House Committee recommended the bill be placed on the Consent Calendar.

According to the fiscal note prepared by the Division of the Budget, HB 2474 would reduce expenditures for the Judicial Branch by reducing court clerk staff workload and postage costs, but a precise fiscal effect cannot be estimated. Any fiscal effect is not reflected in *The FY 2019 Governor's Budget Report*.

docket fees; marriage licenses; Scrap Metal Theft Reduction Act; Crime Victims Compensation Board; appointment of appraisers

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