

February 1, 2018

The Honorable Steven Johnson, Chairperson
House Committee on Taxation
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2527 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2527 is respectfully submitted to your committee.

HB 2527 would make it unlawful to use computer software or electronic devices to falsify electronic records of electronic cash registers and other point-of-sale systems. The bill would make it unlawful to sell, purchase, install, transfer, manufacture create, design, update, repair, use, or possess an automated sales suppression device, zapper, or phantom-ware. A violation would be a severity level six, nonperson felony. Also, the bill specifies that any person convicted could be liable for all taxes, interest, and penalties due to the state.

HB 2527 has the potential for increasing litigation in the courts because of the new violations created by the bill. If it does, the Office of Judicial Administration indicates that there would be a fiscal effect on the operations of the court system. However, it is not possible to predict the number of additional court cases that would arise or how complex and time-consuming they would be. Therefore, a fiscal effect cannot be determined. In any case, the fiscal effect would most likely be accommodated within the existing schedule of court cases and would not require additional resources.

The Kansas Sentencing Commission indicates enactment of HB 2527 could have an effect on prison admissions and beds; however, the Commission cannot provide an estimate. Any fiscal effect associated with HB 2527 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Ashley Michaelis, Judiciary
Linda Kelly, Corrections
Willie Prescott, Office of the Attorney General
Lynn Robinson, Department of Revenue
Scott Schultz, Sentencing Commission
Melissa Wangemann, Association of Counties