

SESSION OF 2012

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2758**

As Amended by Senate Committee on Ways  
and Means

**Brief\***

HB 2758, as amended, would create in statute a Special Litigation Reserve Fund for the Board of Accountancy. Further, the bill would revise KSA 2011 Supp. 1-321 to correct the definition of "Home Office" which currently refers to the definition of "attest" in paragraph (d) of the statute to the definition of "Board" in paragraph (e).

In addition, the bill would create the Litigation Reserve Fund with the following restrictions:

- All expenditures shall be made pursuant to either legislative approval or the directions of the chairperson of the Board of Accountancy or designee who will require approval of the Director of the Division of the Budget;
- No expenditure shall be approved by the Director of the Division of the Budget unless:
  - An unforeseeable occurrence or effect necessitates the need for an expenditure prior to the next Legislative session; and
  - The requested expenditure was not rejected by the legislature; and
  - The requested expenditure bears a valid relationship to an objective or goal of the Board of Accountancy.

---

\*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>

- The Legislature or the Executive Director of the Board of Accountancy, with the approval of the Director of the Division of the Budget, may transfer funds from the Board of Accountancy Fee Fund to the Special Litigation Reserve Fund.

The bill would not establish in statute annual transfers to the Special Litigation Reserve Fund. Annual transfers would require approval within an appropriations act.

### **Background**

Susan Somers, Executive Director of the Board of Accountancy, spoke in support of the bill.

The House Appropriations Committee amended the bill to make a technical correction to replace the Board of Accountancy Fee Fund with the Special Litigation Reserve Fund.

The Senate Ways and Means Committee amended the bill to revise KSA 2011 Supp. 1-321 to correct the definition of "Home Office" which currently refers to the definition of "attest" in paragraph (d), rather than to the definition of "Board" in paragraph (e).

During the 2005 Legislative Session, a Special Litigation Reserve Fund was established *via proviso* in the appropriations bill to be used for costs incurred in litigation cases that would cause the Board to expend more than the amount approved by the Legislature. Expenditures could only be made from the Reserve Fund upon the approval of the State Finance Council. Each year, \$15,000 was placed into the fund with a cap of \$300,000. No expenditures were ever made from the Fund and the balance in FY 2012 is \$90,000.

The fiscal note prepared by the Division of the Budget on the original bill indicates enactment of the bill would have no fiscal effect on the state.