

January 25, 2013

The Honorable Lance Kinzer, Chairperson
House Committee on Judiciary
Statehouse, Room 165-W
Topeka, Kansas 66612

Dear Representative Kinzer:

SUBJECT: Fiscal Note for HB 2014 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2014 is respectfully submitted to your committee.

HB 2014 is based on a provision in the Uniform Trust Code providing for automatic revocation of inheritance rights of a former spouse upon entry of a divorce decree or annulment, with a few minor modifications for Kansas law. The bill would revoke inheritance rights of a former spouse, whether the estate planning was done using a will, a trust, beneficiary designation, or joint tenancy. The bill would also revoke the rights of relatives of the former spouse, because those relatives could be named as alternate takers under trust documents or beneficiary designations. An exception would be made in the bill for property that is subject to federal law preemption. HB 2014 would also provide protection for innocent third party purchasers who purchase property without notice of the divorce and for third parties, such as insurance companies or banks, who pay out funds based on a beneficiary designation without notice of the divorce.

Passage of HB 2014 would have no fiscal effect on the Judicial Branch.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mary Rinehart, Judiciary