

March 4, 2019

The Honorable Jene Vickrey, Chairperson
House Committee on Insurance
Statehouse, Room 276-W
Topeka, Kansas 66612

Dear Representative Vickrey:

SUBJECT: Fiscal Note for HB 2296 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2296 is respectfully submitted to your committee.

HB 2296 would allow law enforcement to impound the vehicle of a driver who fails to show valid proof of liability insurance coverage if that driver previously received a citation for the same offense. An individual who committed the violation would be able to show proof that they have obtained liability insurance and pay the costs of towing, storage and any other fees in order to retrieve an impounded vehicle. In addition, the bill would allow local authorities to auction an impounded vehicle if it is not retrieved within 60 days in order to recover the costs of towing and storage. Any excess proceeds from the sale of the vehicle would be distributed to either the owner of the vehicle or the victims of an accident that led to the citation.

The Office of Judicial Administration indicates that enactment of HB 2296 could increase the number of cases filed in district courts because it allows an attorney to seek a court order for the impoundment of a vehicle. The Office states this would increase the time spent by district court judicial and nonjudicial personnel to process, research and hear cases, which could also result in the collection of additional docket fees. However, the fiscal effect cannot be estimated because the number of additional court orders that would be filed is unknown.

The Kansas Association of Counties indicates that enactment of the bill could result in additional expenditures for local law enforcement if an impounded vehicle is sold for less than the cost of storage, towing and any other fees. In addition, the League of Kansas Municipalities states the bill could result in additional staff time for law enforcement to arrange towing, impoundment and auction of vehicles. However, these fiscal effects would be negligible.

The Kansas Highway Patrol, the Insurance Department, and the Department of Revenue indicate that enactment of the bill would have no fiscal effect on the agencies. Any fiscal effect associated with HB 2296 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Janie Harris, Judiciary
Glenda Haverkamp, Insurance
Sherry Macke, Highway Patrol
Chardae Caine, League of Municipalities
Jay Hall, Association of Counties