

March 19, 2019

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2324 by Representatives Whipple and Holscher

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2324 is respectfully submitted to your committee.

HB 2324 would create a public policy in Kansas that any non-disclosure agreement or any agreement governing post-employment benefits entered into by an employee and an employer could not include any provisions imposing damages, penalties or loss of benefits against the employee for communicating any alleged sexual abuse or sexual harassment committed against the employee by another employee or officer of the employer.

The Office of the Attorney General indicates enactment of HB 2324 could have an effect on expenditures from the Tort Claims Fund if the bill's constitutionality is challenged in court. However, the Office is unable to determine what the fiscal effect on the Tort Claims Fund might be. The Office indicates outside counsel may need to be retained to defend the bill in court. In addition, the Office indicates there could be a monetary judgement against the state as well as an order to pay the prevailing party's attorney fees.

The Department of Administration estimates no fiscal effect on the Department's operations. The Department notes enactment of HB 2324 could affect private and local employers, but the Department is unable to estimate how the bill would affect those employers. Any fiscal effect associated with HB 2324 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Jay Hall, Association of Counties
Chardae Caine, League of Municipalities
Colleen Becker, Department of Administration
Willie Prescott, Office of the Attorney General