



**Testimony of Paul Steele, Thomas County Commissioner
President of Kansas Legislative Policy Group
Before the House Judiciary Committee
RE: Senate Bill No. 79
March 12, 2012**

Dear Chairman Kinzer and Members of the Committee:

Last year Kansas Legislative Policy Group (KLPG) submitted testimony on Senate Bill No 79, which we have attached for your review again.

We encourage this Committee to favorably consider the amendment we proposed to Senate Bill No. 79 in 2011.

Thank you for your consideration and the opportunity to present these remarks.



**Testimony of John Miller, Norton County Commissioner
President of Kansas Legislative Policy Group
Before the House Judiciary Committee
RE: Senate Bill No. 79
March 9, 2011**

Dear Chairman Kinzer and Members of the Committee:

The Kansas Legislative Policy Group (KLPG) is pleased to provide testimony in support of Senate Bill No. 79. KLPG is a bi-partisan, non-profit corporation comprised of elected commissioners from 30 western Kansas counties.

I would like to submit the attached amendment for the Committee to consider. The Supplemental Note for Senate Bill No. 79 indicates a positive financial impact to the Courts by making the collection assistance fee an additional cost, rather than an amount deducted from the debt owed. I believe that other Kansas governmental agencies and entities could utilize the equal financial benefit. The proposed amendment is intended to extend this privilege to "State Agencies" and "municipalities" defined in KSA 75-6202.

According to the Department of Administration, the account set off program for FY 2010 collected about \$7 million for municipalities and charged a collection assistance fee of 18.4%. Resulting in \$1,288,000 being deleted from the proceeds and paid to the Department of Administration. We only seek to have this collection assistance fee included in the set off amount collected, not deducted from the proceeds.

We encourage this Committee to favorably consider the amendment to Senate Bill No. 79.

Thank you for your consideration and the opportunity to present these remarks.

SENATE BILL No. 79

By Committee on Judiciary

1 AN ACT concerning setoff against debtors of the state; amending K.S.A.
2 2010 Supp. 75-6210 and repealing the existing section.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2010 Supp. 75-6210 is hereby amended to read as
6 follows: 75-6210. (a) Upon completion of a setoff transaction, the
7 director shall transfer the net proceeds collected to the account or fund of
8 the state agency, foreign state agency or municipality to which the debt
9 was owed.

10 (b) (1) From the gross proceeds collected by the director through
11 setoff, the director shall retain a reasonable collection assistance fee in an
12 amount based on cost, as determined by generally accepted cost
13 allocation techniques, except that in the case of transactions for collection
14 of debts arising from the employment security law such fee shall not
15 exceed \$300 for any transaction.

16 (2) The director shall retain a reasonable collection assistance fee [collected
17 from the gross proceeds of collections through setoff on behalf of a
18 municipality as specified in an agreement entered into pursuant to K.S.A.
19 75-6204, and amendments thereto, or foreign state agency in such amount
20 as specified in the reciprocal agreement entered into pursuant to K.S.A.
21 75-6215, and amendments thereto.

22 (3) *The collection assistance fee shall be paid as an additional cost*
23 *for all debts owed to the court when the court utilizes debt setoff*
24 *procedures pursuant to K.S.A. 75-6202 et seq., and amendments thereto.*
25 *The collection assistance fee shall be retained from the amount collected,*
26 *but shall not be deducted from the debts owed to the court.*

27 (4) The director may credit a portion of the collection assistance fee
28 to the appropriate account or fund of any other state agency that has
29 incurred expenses in assisting in the collection of the debt.

30 (5) The amount of the collection assistance fee retained by the
31 director shall be remitted to the state treasurer in accordance with the
32 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
33 each such remittance, the state treasurer shall deposit the entire amount in
34 the state treasury to the credit of the accounting services recovery fund.

35 (c) Upon receipt by the state agency, foreign state agency or
36 municipality of the net proceeds collected, the state agency, foreign state

[a state agency or municipality]
[state agency or municipality]
[by the director]
[state agency or municipality]

KSA 75-6202

"State agency" means any state office, officer, department, board, commission, institution, bureau, agency or authority or any division or unit thereof and any judicial district of this state or the clerk or clerks thereof. "State agency" also shall include any district court utilizing collection services pursuant to K.S.A. 75-719, and amendments thereto, to collect debts owed to such court.

"Municipality" means any municipality as defined by K.S.A. 75-1117, and amendments thereto.

KSA 75-1117

Municipality defined. As used in this act, unless the context otherwise requires, "municipality" means any county, township, city, municipal university, unified school district, library district, improvement district, drainage district, cemetery district, industrial district, irrigation district, park and recreation district, conservation district, extension council, airport or building authority, fire district, lighting district, park district, sewer district, watershed district, community junior college, groundwater management district, rural water district, zoning board, municipal energy agency or intergovernmental or joint agency, including all boards, commissions, committees, bureaus and departments of such municipalities charged with the management or administration of recreation activities, parks, hospitals, libraries, cemeteries, pensions, public improvements or any other public activities maintained or subsidized with public funds and any municipally owned or operated utility, firemen's relief association, or public or quasi-public corporation entitled to receive and hold public moneys pursuant to any provision of state law authorizing such public or quasi-public corporation to collect or receive such public moneys.