



February 3, 2011

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

Dear Representative Kinzer:

SUBJECT: Fiscal Note for HB 2072 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2072 is respectfully submitted to your committee.

HB 2072 would require the Secretary of State to implement and maintain a state construction registry for filing notifications by original contractors, subcontractors, and remote claimants. The bill defines a remote claimant as, "a subcontractor to a contractor, also referred to as a sub-subcontractor, as well as persons who supply materials to subcontractors." Remote claimants have no contract directly with the original contractor. HB 2072 would allow a remote claimant to file a lien against the original contractor. However, the total amount of any liens filed by a remote claimant would be limited to the net amount due from the original contractor and under the terms of the subcontract the remote claimant held with the subcontractor to which it supplied labor, equipment, materials, or supplies.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	\$131,250	--	\$20,000
FTE Pos.	--	1.00	--	1.00

The Secretary of State estimates that HB 2072 would increase its expenditures by \$131,250 in FY 2011, which includes \$100,000 to build and design the registry filing system and search capabilities and \$31,250 for 1.00 Filing Specialist FTE position. The Secretary of State indicates that personnel costs have not been estimated to FY 2012 and FY 2013 because the filing volume and corresponding personnel required to cover the additional duties is unknown. The Secretary of State estimates costs of \$20,000 in FY 2012 and \$10,000 in FY 2013 to update

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the filing system. Any fiscal effect associated with HB 2072 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

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

cc: Christy Myers, Secretary of State's Office  
Mary Rinehart, Judiciary  
Janelle Williams, Judicial Council