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Division of the Budget

Sam Brownback, Governor

January 22, 2014

The Honorable Steve Brunk, Chairperson House Committee on Federal and State Affairs Statehouse, Room 285-N Topeka, Kansas 66612

Dear Representative Brunk:

SUBJECT: Fiscal Note for HB 2453 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2453 is respectfully submitted to your committee.

HB 2453 would prohibit an individual or religious entity from being required by any government entity to do any of the following, if it would be contrary to the sincerely held religious beliefs of that individual or religious entity regarding sex or gender:

- 1. Provide any services, accommodations, advantages, facilities, goods, or privileges; provide counseling, adoption, foster care and other social services; or provide employment or employment benefits, related to, or related to the celebration of, any marriage, domestic partnership, civil union or similar arrangement.
- 2. Solemnize any marriage, domestic partnership, civil union or similar arrangement.
- 3. Treat any marriage, domestic partnership, civil union or similar arrangement as valid.

The refusal of an individual or religious entity to engage in any of these activities could not result in a civil claim or cause of action under state or local law or an action by any governmental entity intended to penalize, withhold benefits from, discriminate against or otherwise disadvantage the individual or religious entity under any state or local law. However, if such a civil, administrative, or other action was taken by a government entity, the bill provides the process by which an individual or religious entity could respond. The bill also provides definitions for "religious entity" and "governmental entity."

According to the Office of the Attorney General, there is a strong likelihood that passage of HB 2453 would result in court challenges which it would handle in-house. If the state were to lose a federal court civil rights action, it would likely be ordered to pay the attorneys' fees of the prevailing party. The Office estimates that the costs from passage of the bill would be \$25,000 in FY 2014 and \$25,000 to \$250,000 in FY 2015, all from the State General Fund.

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According to the Office of Judicial Administration, HB 2453 intends to create a defense rather than a new cause of action. However, it appears that some actions that might previously have been administrative in nature will now be transferred to the district court. If that occurs, additional work will be created for the district court and the Court of Appeals judges and nonjudicial staff. In addition, the bill requires the district court to decide within 60 days whether the claimed protection applies. The agency indicates that it is not currently staffed to meet the 60-day requirement. The current median time standard for non-domestic civil cases to final disposition is 180 days. The agency also states that the transfer of jurisdiction permitted by HB 2453 might result in a small amount of additional docket fee revenues from the filing of new cases. While the Judicial Branch expects passage of HB 2453 to have a long-term fiscal effect, until the agency has had the opportunity to operate under the provisions of the bill, it is unable to estimate the precise caseload and budgetary effect. Any fiscal effect associated with HB 2453 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

Jon Hummell, Interim Director of the Budget

cc: Willie Prescott, Attorney General's Office Mary Rinehart, Judiciary Jackie Aubert, DCF