

February 13, 2024

REVISED

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Revised Fiscal Note for SB 495 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following revised fiscal note concerning SB 495 is respectfully submitted to your committee.

SB 495 would revise the Kansas Mortgage Business Act by transferring mortgage provisions contained in the Kansas Consumer Credit Code to the Act. The bill would add and revise certain definitions, terms, and conditions.

SB 495 would also amend the Uniform Consumer Credit Code. The bill would modify consumer loan finance charges and repayment terms as well as increase the threshold for certain consumer loans and leases. The bill would also make technical changes.

Since the original fiscal effect state was issued, the Office of Judicial Administration has provided information on the fiscal effect of this bill. The agency indicates SB 495 could increase the number of cases filed in the district courts because the provisions are subject to the Kansas Judicial Review Act. These provisions would increase time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The enactment of the bill could increase the collection of docket fees, fines, and supervision fees that would be deposited into the State General Fund. The agency indicates that it is unable to estimate a precise fiscal effect.

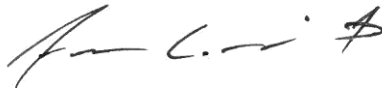
The Office of the State Bank Commissioner indicates SB 495 would not have a fiscal effect on its operations. The Department of Credit Unions indicates enactment of SB 495 would require

the agency to expend \$564 from its fee fund to review changes in the applicable statutes revised by the bill, prepare any changes to the agency's program, and disseminate information to staff about the revised statutes and agency program changes.

The Office of Attorney General indicates enactment of SB 495 would require the agency to hire 1.0 Administrative Assistant position and 1.0 Attorney FTE position to evaluate violations for criminal prosecution. The agency estimates the positions would cost \$210,000 in FY 2025 and \$231,000 in FY 2026 from the State General Fund.

The Kansas Sentencing Commission indicates that a person convicted under SB 495 would be sentenced to diversion or probation instead of prison. There would be no impact on prison admissions, beds, or the Commission's workload. The Department of Corrections indicates that since SB 495 does not create new crimes or change penalties for violations, the bill would not have an impact on prison bed space. Any fiscal effect associated with SB 495 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Trisha Morrow, Judiciary
Scott Schultz, Kansas Sentencing Commission
Jennifer King, Department of Corrections
Barbara Albright, Office of the State Bank Commissioner
Julie Murray, Department of Credit Unions
Paul Weisgerber, Kansas Bureau of Investigation
William Hendrix, Office of the Attorney General