

February 3, 2014

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

Dear Representative Kinzer:

SUBJECT: Fiscal Note for HB 2466 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2466 is respectfully submitted to your committee.

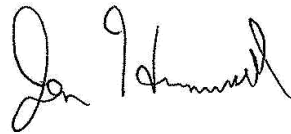
Under HB 2466, in addition to permitting service of orders or notices by personal delivery and by mail, the bill would allow for service by sending a copy of the order or notice by electronic means, if an individual has consented to service by electronic means. Service by electronic means would be deemed complete upon transmission or as otherwise specified in the consent. Any consent to electronic service would have to specify when the service is complete. HB 2466 specifies when an order of notice is served electronically, three days would be added to the prescribed period of response. The bill would allow a service of an order, pleading, or other matter by sending a copy to the parties and their attorneys of record, if any, by electronic means when authorized by the Supreme Court or a local rule. HB 2466 would make additional technical changes.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	--
Expenditure	--	\$5,000	--	\$1,000
FTE Pos.	--	--	--	--

According to the Office of Judicial Administration, enactment of HB 2466 could affect expenditures since a majority of orders and other documents to be served would be served by attorneys rather than by the courts, it could be possible that a small number of documents that would otherwise have been mailed by the court could now be sent by electronic mail. However, until the courts have had an opportunity to operate under the provisions of HB 2466 an accurate estimate of the fiscal effect upon the Judicial Branch cannot be given.

The Office of Administrative Hearings estimates additional expenditures of \$5,000 in FY 2014 if HB 2466 were enacted. The estimate includes a one-time expenditure of \$3,000 to configure and update agency software systems in preparation for daily electronic filings that would begin on July 1, 2014. The agency also estimates \$2,000 for new sever hardware for the proper and reliable archiving of increased electronic records. For FY 2015, the agency estimates annual expenditures of \$1,000 for a third-party vendor to provide a secure electronic mail interface environment, which the agency indicates is necessary to assure confidently of protected case information and to have a system in which transmission and receipt of formal communications could be verified. The additional expenditures would come from the agency's Administrative Hearings Office Fund. Any fiscal effect associated with HB 2466 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J".

Jon Hummell,  
Interim Director of the Budget

cc: Tom Day, KCC  
Mary Rinehart, Judiciary  
Steve Neske, Department of Revenue  
Bob Corkins, Administrative Hearings  
Zac Anshutz, Insurance