STATE OF KANSAS

DIVISION OF THE BUDGET LANDON STATE OFFICE BUILDING 900 SW JACKSON STREET, ROOM 504 TOPEKA, KS 66612



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March 5, 2018

The Honorable Bud Estes, Chairperson Senate Committee on Federal and State Affairs Statehouse, Room 136-E Topeka, Kansas 66612

Dear Senator Estes:

SUBJECT: Fiscal Note for SB 306 by Senator Hensley

In accordance with KSA 75-3715a, the following fiscal note concerning SB 306 is respectfully submitted to your committee.

SB 306 would prohibit certain state officers and employees from being employed in any capacity other than the officer or employee's official duties in work that involves more than ten hours per week.

The Office of the Attorney General (OAG) states that there could be legal challenges to SB 306 which would impact the agency. Problematic areas include the lack of definitions, ambiguities and possible first amendment claims. The OAG states that a fiscal effect cannot be estimated because time spent and costs associated would depend on the type of challenge. A constitutional challenge would involve court activity on multiple levels from the District Court up through the appellate courts, depending on whether the challenge is made in state or federal court. A non-constitutional challenge to the ambiguous provisions of the bill could be resolved at the District Court level, but could also result in appellate court activity. A fully contested case that rises through the appellate court level can take several years and would involve the expenses for OAG attorney time or the cost of hiring outside counsel.

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Both the Department of Administration and the Kansas Insurance Department state that SB 306 would not have a fiscal effect for the agencies, it could affect agency employees. Any fiscal effect associated with SB 306 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

Larry L. Campbell Chief Budget Officer

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cc: Willie Prescott, Office of the Attorney General Linda Borror, Office of the Secretary of State Glenda Haverkamp, Insurance Peter Northcott, Office of the Treasurer Colleen Becker, Department of Administration