

MINUTES OF THE HOUSE JUDICIARY COMMITTEE.

The meeting was called to order by Chairman Michael R. O'Neal at 3:30 p.m. on March 12, 2003 in Room 313-S of the Capitol.

All members were present except:

Representative Jeff Jack - Excused  
Representative Rick Rehorn - Excused

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department  
Jill Wolters, Revisor of Statutes  
Cindy O'Neal, Committee Secretary

Conferees appearing before the committee:

Candy Shively, Deputy Secretary, Social & Rehabilitation Services  
Kathy Porter, Office of Judicial Administration  
Ron Hein, R.J. Renyolds Company  
Kathy Damron, Altria Group, Inc.  
Representative Stephanie Sharp  
Kevin Walker, American Heart Association  
Gwendolyn Cargnel, American Cancer Society  
Ron Pope, Kansas Trial Lawyers Association  
Sally Finney, Kansas Public Health Association

The hearing on **SB 70 - repeal SRS pass through assistance to family**, was opened.

Candy Shively, Deputy Secretary, Social & Rehabilitation Services, explained that the proposed bill would repeal the requirement that SRS pass through \$40 of child care support collected to a custodial parent who receives public assistance. Federal law allows SRS to recover the cost of providing temporary assistance to families which benefit from child support. As part of the recovery costs SRS must reimburse the federal government 60% of that which is received. (Attachment 1)

The hearing on **SB 70** was closed.

The hearing on **SB 71- Kansas Payment Center, removal of sunset provision**, was opened.

Candy Shively, Deputy Secretary, Social & Rehabilitation Services, informed the committee that if the proposed bill was not adopted then the Kansas Payment Center would no longer be able to operate and that the state would be penalized by the federal government for not having centralized unit for the collection and disbursement of child support payments. Ms. Shively also commented that there have hardly been any complaints with the Kansas Payment Center and therefore doesn't see the need to continue the Oversight Committee. (Attachment 2)

Kathy Porter, Office of Judicial Administration, agreed with Ms. Shively that the complaints have dwindled to almost none. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE HOUSE JUDICIARY COMMITTEE at 3:30 p.m. on March 12, 2003 in Room 313-S of the Capitol.

The hearing on **SB 71** was closed.

The hearing on **SB 48 - appeal bonds in litigation involving signatories or successor of the tobacco litigation agreement**, was opened.

Ron Hein, R.J. Reynolds Company, explained that the proposed bill would set a cap on the amount of an appeal bond that would be required for defendants to pay in civil cases against tobacco companies that are part of the Master Settlement Agreement. The maximum appeal bond would be \$25 million. Currently, the rule on appearance bonds are the bonded person must put down 10% of the bond. Twelve other states have passed legislation limiting the amount of appeal bonds in any case and four others passes similar legislation to **SB 48**. (Attachment 4)

Kathy Damron, Altria Group, Inc., suggested that the purpose of the bill was to protect the state's interest in receipt of its annual revenue from the Master Settlement Agreement by ensuring that the tobacco companies do not go bankrupt due to civil judgements (Attachment 5)

Representative Stephanie Sharp, would prefer that it would apply all industries in the State, not just tobacco. (Attachment 6)

Kevin Walker, American Heart Association, opposed the bill due to the fact that it was granting special protections to a company that is not worthy of special legislation to protect it. (Attachment 7)

Gwendolyn Cargnel, American Cancer Society, also spoke in opposition because the bill was designed to grant special treatment to one industry. (Attachment 8)

Ron Pope, Kansas Trial Lawyers Association, opposed placing limitations on appeal bonds because it sets a dangerous precedent for other industries to seek similar protections. Also, by decreasing the appeal bonds, it would lengthen the date of the court time and would discourage settlements. (Attachment 9)

Sally Finney, Kansas Public Health Association, opposed the bill because, when used as directed, tobacco kills, and doesn't understand why the state would support such an industry. (Attachment 10)

The hearing on **SB 48** was closed.

The committee meeting adjourned at 5:45 p.m. The next meeting was scheduled for March 13, 2003 at 3:30 p.m. in room 313-S.