

**KANSAS COLLECTORS ASSOCIATION, INC. AND KANSAS  
CREDIT ATTORNEYS ASSOCIATION**

**House Bill No. 2461 - Opponent Testimony  
House Judiciary Committee  
January 18, 2018**

Chairman Patton and Members of the House Judiciary Committee:

We are submitting opposition testimony to you on House Bill No. 2461 on behalf of the Kansas Collectors Association and Kansas Credit Attorney Association. The Kansas Collectors Association, Inc., which is an association of collection agencies in Kansas and the Kansas Credit Attorneys Association, a statewide organization of attorneys, represent firms whose practice includes considerable collection work for both public and private entities.

House Bill No. 2461 places duty on the attorney General to pre-authorize contingency fee based legal services for public entities.

Our industry regularly utilizes these fee structures. These arrangements are popular for our clients due to "no upfront" costs, therefore limiting financial exposure on rather challenging accounts, and also serves to motivate our members to work diligently.

Due to the nature of our business engagements for public entities we seek an exemption to this measure under certain conditions.

For example, when the contingency fee based agreement with a public entity:

- is for collection of an existing debt or contract, payment or performance of service;
- is for the collection of delinquent payments for service;
- is for the collection of delinquent taxes;
- is for the collection of delinquent court fines and fees;
- when state statute sets out the percentage of "fee" for such an agreement;
- is related to a Request for Proposal/Request for Information.

There may be other conditions and arrangements not addressed by our testimony.

If adopted, House Bill No. 2461 should also provide a statutory deadline for granting of waivers, so timely approvals are made.

We believe the intent of this legislation is to restrict the use of "large fee" arrangements in class action lawsuits and mass settlement agreements. Not when units of government engage our industry for management of accounts receivable.

We encourage you to consider further amending the bill, otherwise this approval process will be burdensome on the agency with the volume of "normal course of business" arrangements that public entities enter into on an annual basis and creates potential delays for entities seeking legal services.

Thank you for your consideration today.

Doug Smith  
For the Kansas Collectors Association and  
Kansas Credit Attorney Association