

March 2, 2017

The Honorable Rick Wilborn, Chairperson
Senate Committee on Judiciary
Statehouse, Room 541-E
Topeka, Kansas 66612

Dear Senator Wilborn:

SUBJECT: Fiscal Note for SB 199 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 199 is respectfully submitted to your committee.

Current law allows appellants a supersedeas bond as surety in order to delay payment of a judgment until the appeal is over. The bond is generally set in the full amount of the judgment, unless the appellant can show it would create an undue hardship or denial of the right to appeal. In that case, the court would be permitted to reduce the amount of the bond within certain statutorily prescribed limits, unless the appellee can prove that the appellant is appealing to avoid payment, or if the court makes a finding on record that the appellant is likely to disburse assets necessary to satisfy the judgment. SB 199 would remove the justification for the court to avoid reducing the amount of the bond by making a finding on record that the appellant is likely to disburse assets necessary to satisfy the judgment.

In addition, the bill would provide that the amount of the bond of any individual appellant and its successors or corporate affiliates, individually or collectively, must not exceed \$25.0 million regardless of the full amount of the judgment. If the appellant is a small business, the bill provides that the bond must not exceed \$1.0 million or the amount of the judgment, whichever is less. The bill defines small business as any independently owned and operated business or nonprofit organization with no more than 50 full-time employees and no more than \$50.0 million in annual revenue. Further, the amendments in the bill would apply to any proceeding that is filed, pending appeal, or on appeal, on or after the effective date of the bill.

The Office of Judicial Administration indicates that any fiscal effect which may result from the enactment of SB 199 would be negligible.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Ashley Michaelis, Judiciary