

February 12, 2008

The Honorable Clark Shultz, Chairperson
House Committee on Insurance and Financial Institutions
Statehouse, Room 141-W
Topeka, Kansas 66612

Dear Representative Shultz:

SUBJECT: Fiscal Note for HB 2668 by Representative Ward

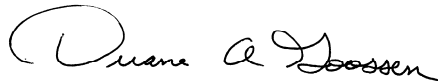
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2668 is respectfully submitted to your committee.

HB 2668 would prohibit businesses from placing a hold on available funds from a credit or debit card purchase in an amount higher than the actual transaction amount rounded up to the nearest dollar. The business would be required to remove any excess holds within one hour of the transaction. The bill would impose fines of up to \$250 for the first violation and \$1,000 for each additional violation.

The Office of the Attorney General indicates that the passage of HB 2668 would have a negligible fiscal effect on its operations. The agency indicates that it would be able to absorb the costs associated with any additional caseload within its existing resources.

HB 2668 has the potential for increasing litigation in the courts because of the new violation created by the bill. If it does, the Office of Judicial Administration indicates that there would be a fiscal effect on the operations of the court system. However, it is not possible to predict the number of additional court cases that would arise or how complex and time-consuming they would be. Therefore, a precise fiscal effect cannot be determined. In any case, the fiscal effect would most likely be accommodated within the existing schedule of court cases and would not require additional resources.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Matt Sinovic, Attorney General's Office
Mary Rinehart, Judiciary