



2019

LEGISLATIVE HIGHLIGHTS



ABORTION

Reproductive Health Act of New York

SCR 1606 makes findings concerning abortion policy in Kansas and the enactment of the Reproductive Health Act of New York. The resolution encourages legislators and executive officials in all 50 states to reject similar legislation.



AGRICULTURE & NATURAL RESOURCES

Commercial Industrial Hemp Program

Senate Sub. for HB 2167, among other things, creates the Commercial Industrial Hemp Program, which allows for the cultivation and production of industrial hemp for commercial purposes. The Kansas Department of Agriculture (KDA), in consultation with the Governor and Attorney General, is required to submit a plan to monitor and regulate the production of commercial hemp in Kansas to the U.S. Department of Agriculture for approval.

The bill requires all hemp processors in Kansas to register annually with the KDA. Hemp processors must require all employees involved in the extraction of cannabinoids to undergo state and national criminal record history checks. In addition, certain hemp-derived

products including cigarettes, cigars, or material used for vaporizing devices, cannot be marketed or distributed in the state. The bill requires the KDA to accept applications for the current research program through June 1, 2019.



Alcohol & Drugs

Temporary Permits; Common Consumption Areas; Delivery; Farm Wine

SB 70 amends law concerning alcohol in the following ways.

Temporary permit holders. The bill allows a temporary permit holder to serve alcohol for consumption on licensed or unlicensed premises, or on premises subject to a separate temporary permit.

Common consumption areas. The bill allows a drinking establishment licensee, public venue, hotel, hotel caterer, or drinking establishment caterer to extend its licensed premises into a city, county, or township street, alley, road, sidewalk, or highway under certain circumstances.

Delivery of liquor. The bill requires every express company or other common carrier that delivers alcohol from outside the state to consumers within the state to prepare a monthly report of shipments.

Sale of farm wine by producer licensees. The bill allows producers of certain fermentative products to sell wine made at a farm winery with certain minimum Kansas content requirements.

Highlights Contents

Abortion	1
Agriculture & Natural Resources.....	1
Children & Youth.....	2
Commerce & Labor	2
Crimes.....	3
Education	3
Elections & Ethics.....	4
Financial Institutions & Insurance.....	4
Health.....	5
Judiciary.....	6
Open Records.....	7
Public Safety	7
Redistricting.....	7
Retirement.....	8
State Finances	8
State Government.....	9
Taxation.....	10
Transportation	10
Utilities & Telecommunications	11

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Cereal Malt Beverage Act Violations; Liquor Enforcement Tax

HB 2035, among other things, makes notice and procedural requirements for violations of the Cereal Malt Beverage (CMB) Act the same as for violations of the Liquor Control Act and the Club and Drinking Establishment Act and places violations of the CMB Act under the authority of the Division of Alcoholic Beverage Control, Department of Revenue. The bill makes the enforcement authority for violations involving beer up to 6.0 percent alcohol by volume uniform across state liquor laws. The bill also clarifies all retail sales of liquor, CMB, and non-alcoholic malt beverage are subject to the liquor enforcement tax described in KSA 79-4101.



CHILDREN & YOUTH

Family First Prevention Services Act; Enhanced Federal Match Rate

HB 2103 amends the Revised Kansas Code for Care of Children and creates statutory provisions that meet the requirements of the federal Family First Prevention Services Act (FFPSA). The FFPSA allows for an enhanced federal match rate toward the use of Social Security Act Title IV-E funds to provide support to children at risk of entering foster care. FFPSA limits foster care maintenance payments to two weeks for placements that are not foster homes or qualified residential treatment programs (QRTP).

Further, the bill defines a QRTP, establishes notice and hearing requirements when a child is placed in a QRTP, requires certain action be taken by the court when QRTP placement occurs, and places additional documentation requirements on the court in a permanency hearing involving a child placed in a QRTP.

House Sub. for SB 25 provides funding for FY 2019 and FY 2020 for various state agencies. The bill appropriates \$13.5 million, including \$6.9 million from the State General Fund, to secure the FFPSA 50.0 percent federal match rate for prevention services for FY 2020. [Note: For additional information on House Sub. for SB 25, see the State Finances section.]

Children and Minors—Actions Required when Reports of Sexual Behavior Problems

SB 77 creates law in the Revised Kansas Code for Care of Children requiring the Department for Children and Families (DCF) to take certain actions when reports of child abuse or neglect are received, the subject of such report is a “child with sexual behavior problems,” and DCF determines a joint investigation with law enforcement is required in accordance with the Code. The required actions include referral to a child advocacy center or other mental health provider and offer of additional services to the child and child’s family, as needed. Such services shall be voluntary, except in certain circumstances set forth in the bill. The bill requires DCF to keep documentation on specific actions taken by the agency.

The bill also requires DCF to document attempts to provide voluntary services, reasons the services are important to reduce the risk of future sexual behavior problems by the child, whether services are accepted and provided, and the outcome for the child and family.



COMMERCE & LABOR

Limited Liability Company Updates

HB 2039, among other things, creates and amends law related to limited liability companies (LLCs) in the Kansas Revised Limited Liability Company Act (RLLCA), Business Entity Standard Treatment (BEST)

Act, and other statutes. The bill creates and amends law related to series LLCs to allow merger or consolidation of series LLCs, allows series reinstatement, adds provisions regarding restated certificates of designation, restructures and amends the main statute governing series LLCs, and makes series LLC amendments in other areas of the RLLCA and in other acts and codes. The bill creates a type of LLC known as a “statutory public benefit limited liability company,” setting forth the applicability, definitions, duties, required statements, derivative lawsuit provisions, and other requirements for this LLC. The bill provides for division of LLCs, amends power of attorney provisions related to LLCs, and amends numerous RLLCA provisions to update or clarify the law in such provisions.

Evaluation and Transparency of Economic Development Programs and Tax Incentives

HB 2223, among other things, requires analyses and reporting of certain economic development incentive programs (programs) to be performed by the Legislative Division of Post Audit and the Department of Commerce (Department). The Legislative Post Audit Committee (Committee) will conduct a systematic and comprehensive review, analysis, and evaluation of each program every three years and the Post Auditor must include in each evaluation specific information as set forth in the bill and any other information the Committee deems necessary to assess the effectiveness of the program. The Department must establish a database for the purpose of disclosing information on programs, which includes certain income tax credits and locally granted property tax exemptions, in addition to various programs administered by the Department.

Relative to economic development incentives, the Department must provide data on certain programs providing more than \$50,000 in annual incentives and make the following information available to the public on the database:

- The names and addresses of recipients receiving Sales Tax and Revenue (STAR) Bond benefits, as well as the names of principals and officers for each STAR Bond project developer;
- The annual amount of incentives claimed and distributed to each recipient; and
- Qualification criteria for each program, including the number of jobs created or amount of capital investments made.

The bill requires additional descriptive information be included. However, information on the programs will not be disclosed if the disclosure would violate any federal law or confidentiality provisions of agreements executed prior to July 1, 2019, or if the Secretary of Commerce determines the disclosure would be detrimental to an incentive program or a project. In the latter case, the bill requires the Secretary to submit a written report to the Legislature concerning any information not disclosed and the reasons for nondisclosure. That report and any associated testimony or committee discussion are exempt from the open meeting and record laws.

CRIMES

Crimes, Punishment, and Criminal Procedure

SB 18 makes numerous amendments regarding crimes, punishments, and criminal procedure. Among its provisions are the following.

Probation violation sanctions. The bill removes the ability of the sentencing court to specifically withhold authority from supervising court services or community corrections officers to impose certain probation violation sanctions of confinement in a county jail for a two- or three-day period or an additional 18 days of confinement in a county jail.

The bill also removes violation sanctions allowing the court to remand the defendant to the custody of the Secretary of Corrections for periods of 120 or 180 days and removes and modifies other related provisions.

Penalties for involuntary manslaughter and abuse of a child. The bill raises the penalty for the crime of involuntary manslaughter from a severity level 5 to a severity level 3 person felony if the victim is under six years old, and raises the penalty for the crime of abuse of a child from a severity level 5 to a severity level 4 person felony if the victim is under six years old.

Mitigating factor when victim is an aggressor or participant in criminal conduct. The bill amends a mitigating factor that may be applied when the victim was an aggressor or participant in the criminal conduct associated with the crime of conviction to prohibit the application of this factor to a sexually violent crime or to electronic solicitation, when: a) the victim is less than 14 years old and the offender is at least 18 years old; or b) the offender hires any person by giving, or offering or agreeing to give, anything of value to the person to engage in an unlawful sex act.

Domestic violence calls; law enforcement agency notification policies. The bill requires all law enforcement agencies in the state to provide training to law enforcement officers regarding the agency's adopted domestic violence call notification policy.

The bill adds requirements that such written policies require, when an arrest is made for a domestic violence offense, including an arrest for violation of a protection order, the officer to provide the victim information regarding certain conditions that may affect the release date of the suspect and available monitoring services in the jurisdiction.

Driving Under the Influence—Advisory Clarification and Updates

HB 2104 clarifies the oral and written notice a law enforcement officer must provide when requesting a person take a test related to driving under the influence (DUI). The bill also updates DUI-related statutes in light of recent case law and changes in terminology.

EDUCATION

K-12 School Finance; Kansas School Equity and Enhancement Act

House Sub. for SB 16, among other things, amends the Kansas School Equity and Enhancement Act, creates law and amends current statutes relating to public schools, and appropriates funds to the Department of Education (KSDE) for FY 2020 and FY 2021.

BASE. Under the bill, the Base Aid for Student Excellence (BASE) increases to \$4,436 in school year 2018-2019 and further increases to \$4,846 by school year 2022-2023.

At-risk education programs. The bill requires the Kansas State Board of Education (KSBE) to include programs provided by state-based national nonprofits in the list of approved at-risk education best practices.

School finance audits. The bill replaces the planned cost-function performance audit in FY 2021 with an audit of school district cash balances and moves the audit of bilingual education from FY 2022 to FY 2021.

Accountability reports. The bill requires KSDE to create one-page performance accountability reports for the state, each school district, and each school building. The bill also requires KSDE to prepare annual longitudinal reports on student achievement on state assessments.

The bill amends law that requires KSDE to prepare annual school funding requiring virtual full-time equivalent enrollment and all expenditures for legal services challenging the constitutionality of the school finance system be reported. In addition, the bill establishes a system of online publication for all accountability reports.

ACT and WorkKeys assessments. The bill requires KSBE to provide the ACT college entrance exam and three ACT and WorkKeys assessments to each student enrolled in grades 11 and 12 at no charge to the student. The bill also requires KSBE to provide the PreACT exam to each student enrolled in grade 9.

Tax-credit Low-income Student Scholarship Program. The bill changes the list of schools from which participating students may enter the scholarship program from the 100 lowest performing schools to the 100 lowest performing elementary schools and allows students already receiving scholarships to continue receiving scholarships.

Legislative Task Force on Dyslexia. The bill extends the Legislative Task Force on Dyslexia through FY 2022. The bill allows for one meeting day each year.

School Safety Drills

SB 128 amends law related to the minimum number of safety drills to be conducted in schools to require four fire drills, two tornado drills (one in September and one in March), and three crisis drills each school year. The bill authorizes the State Fire Marshal to grant an exemption authorizing a variance for the number or manner of these drills for students receiving special education or related services.

Community College Transparency

HB 2144 requires any student fees charged by community colleges to be charged for a specific purpose and requires any revenues from fees to be spent only for the specified purpose, which must be posted on the college's website.

In addition, the bill requires community colleges to identify the courses that are fully transferable to four-year colleges governed by the Kansas Board of Regents.

The bill also requires community colleges to publish information to the community college's website regarding cost of attendance, demographic information of students attending the community college, information about property taxes levied by the community college, and information about scholarships awarded by the community college.



ELECTIONS & ETHICS

Signature Requirements; Polling Places; Municipal and Township Officer Changes; School Board Changes

Sub. for SB 130 amends law concerning elections.

Advance ballot signatures. The bill requires county election officers to make an attempt to contact voters who submitted an advance voting ballot without a signature or with a signature that does not match the signature on file and allow the voter to correct the deficiency before the start of the final county canvass.

Polling places. The bill allows all voters in a county to vote at any polling place on election day, at the discretion of the county election official.

Municipal office filing date. The bill changes the filing deadline for any candidate in a municipal election to June 1, or the next day that is not a Saturday, Sunday, or holiday, before the primary election in any year, regardless of whether a primary is required.

Oaths of office for township officers. The bill removes the requirement for a newly elected township trustee, clerk, treasurer, or any appointed road overseer in any

road district to take the oath of office within 20 days after being notified of such election.

School board changes. The bill makes several changes to the timing of certain appointments to the local board of education (board) and of the first meeting of the board and makes changes to the timing and how a board may change the method of elections or voting plans.



FINANCIAL INSTITUTIONS & INSURANCE

Updates to State Financial Institutions' Codes

SB 82 amends provisions of the State Banking Code relating to certificate of existence, voting rights for conversion to a state charter, and the method of delivery for certain notices.

HB 2101 makes several amendments and technical updates to the laws governing credit unions and related credit union procedures and designates Article 22 of Chapter 17, *Kansas Statutes Annotated*, as the State Credit Union Code.

Annuities; Fraudulent Insurance Acts

HB 2177, among other things, creates law and amends the Insurance Code to allow life insurance companies offering fixed index annuities to utilize an alternative methodology accounting for certain reserves and modify provisions governing fraudulent insurance acts and associated criminal penalty provisions.

The bill requires insurers opting to use these alternative accounting practices to report quarterly to the Commissioner of Insurance for analysis purposes, the market value of its eligible derivative assets, and what the Actuarial Guideline XXXV reserve would be, using the market value of such assets. An insurer electing to use this methodology cannot change its accounting practices

back to those that would apply in the absence of the statute without the prior approval of the Commissioner.

Insurance Provisions; AHPs; Certain Healthcare Benefits Coverage

HB 2209 creates and amends law pertaining to insurance.

Life insurance benefits and coverage. The bill establishes the Unclaimed Life Insurance Benefits Act, specifies the requirements of insurers, requires insurers to notify the State Treasurer related to unclaimed property, and states the failure to meet any requirement with such frequency as to constitute a general business practice is considered an unfair or deceptive act or practice under the unfair trade practices law and subject to penalties.

The bill also amends the unfair trade practices law to add the refusal to insure or limiting of life insurance coverage to an individual, solely because of that individual's status as a living organ donor, to the list of unfair methods of competition and unfair or deceptive acts or practices in the business of insurance.

Third party administrators and fees. The bill changes the initial license application fee for home state and non-resident third party administrators (TPAs) to \$400 and requires an annual report fee of \$100 for both home state and non-resident TPAs. The bill establishes a \$200 renewal application fee for each non-resident renewal application.

Expansion of AHPs. The bill amends several health insurance provisions related to the regulation of association health plans (AHPs) and small employer plans and designates certain statutes as the Small Employer Health Insurance Availability Act. The bill, among other things, removes a membership limitation placed on AHPs to offer group accident and health insurance coverage.

Non-insurance healthcare benefits coverage—KFB. The bill exempts the Kansas Farm Bureau (KFB) or its affiliate that provides healthcare benefit coverage for

the payment of expenses to or for the members of the organization and their dependents, from the jurisdiction of the Commissioner of Insurance. The bill specifies the healthcare benefit coverage is not considered insurance, permits the risk under such coverage to be reinsured by a company authorized to conduct reinsurance in Kansas, and requires providers of this coverage to file a signed, certified actuarial statement of plan reserves annually with the Commissioner.

Premium tax. The bill amends law providing for payment of an annual premium tax by self-insured AHPs exempt from the Commissioner's jurisdiction to provide a computation method for the tax applicable to the location of such association. For persons or entities having a principal office within a metropolitan area in Kansas and associations having their principal office located in Kansas and offering policies to non-residents, the tax owed will be based upon the gross premium collected during the preceding year relating to health benefit plans issued to members who have a principal place of business in Kansas.

Cybersecurity insurance. The bill permits the Kansas Board of Regents to purchase cybersecurity insurance as the Board deems necessary to protect student records, labor information, and other statutorily protected data it maintains.



HEALTH

Professions Licensed by the BSRB; Adult Care Home Licensure, Receivership

SB 15, among other things, provides for licensure by reciprocity and amends licensure requirements for certain professions licensed by the Behavioral Sciences Regulatory Board (BSRB) and amends the Adult Care Home Licensure Act regarding application for licensure, financial solvency, and receivership.

BSRB-licensed professions. The bill provides for licensure by reciprocity for social workers at baccalaureate, master's, and specialist clinical levels; amends requirements for licensure by reciprocity for other professions regulated by the BSRB; provides for provisional licenses to applicants to allow time to fulfill remedial or other prescribed requirements; amends provisions related to temporary licenses; clarifies the allowable use of professional titles for individuals with provisional and temporary licenses; and amends the licensure requirements for a specialist clinical social worker to reduce the number of hours of postgraduate supervised experience and the number of hours of clinical supervision.

Adult Care Home Licensure Act. The bill requires the application for a license to operate an adult care home to include evidence of sufficient working capital necessary to operate an adult care home and a list of current or previously licensed facilities in any state in which an applicant has or previously had any ownership interest in the operations or the real property of the facility.

Receiverships. The bill also addresses restrictions on licensure; adds a venue for filing an application for receivership; modifies the powers and duties of a receiver; places a restriction on the application or renewal of a license for a licensee and applicant under a receivership; addresses the timing of hearings and continuances on an application for receivership; and adds operators and any individuals or entities appearing on a license to operate an adult care home to the list of those who are required to repay the payments made by the Secretary for Aging and Disability Services and personnel costs and other expenses to establish a receivership and assist the receiver, and who are subject to a lien on non-exempt personal and real property until amounts owed are repaid.

Claire and Lola’s Law—Possession of Certain CBD Treatment Preparations and Affirmative Defense

SB 28, among other things, creates and amends law related to possession of certain cannabidiol (CBD) treatment preparations.

Claire and Lola’s Law. The bill creates “Claire and Lola’s Law,” which prohibits state agencies and political subdivisions from initiating child removal proceedings or child protection actions or proceedings based solely upon the parent’s or child’s possession or use of a CBD treatment preparation in accordance with the affirmative defense established by the bill.

The bill does not require the Kansas Medical Assistance Program or various other policies, plans, contracts, or organizations providing coverage for accident and health services delivered, issued for delivery, amended, or renewed on or after July 1, 2019, to provide payment or reimbursement for any CBD treatment preparation; and does not allow the possession, sale, production, redistribution, or use of any other form of cannabis.

“Debilitating medical condition” is defined as a medically diagnosed chronic disease or medical condition causing a serious impairment of strength or ability to function, including one that produces seizures, for which the patient is under current and active treatment by a physician licensed to practice medicine and surgery in Kansas.

Amendments to criminal law. The bill amends the crime of unlawful possession of controlled substances to provide an affirmative defense to a prosecution of such crime arising out of a person’s possession of any CBD treatment preparation if the person has a debilitating medical condition or is the parent or guardian of a minor child with such condition; is in possession of a CBD treatment preparation used to treat such condition; and possesses a letter that shall be shown to a law enforcement officer upon request and meets the requirements of the bill to identify the person or minor child in possession

of the CBD treatment preparation as a patient with a qualifying condition being treated by a Kansas licensed physician.

Pharmacy Act Amendments; Corporate Practice of Medicine—Business Entities

HB 2119 amends the Pharmacy Act regarding electronic prescription orders, allows licensed pharmacists in certain situations to administer drugs by injection, and makes provision for business entities to hire physicians and chiropractors.

Electronic prescription orders; administration of drugs by injection. Effective July 1, 2021, the bill requires prescription orders issued for a controlled substance in Schedule I-V that contains opiate to be transmitted electronically, with certain exceptions. The bill also amends the Pharmacy Act to permit a licensed pharmacist to administer a drug by injection as deemed appropriate by the prescriber. The bill does not repeal, or supersede requirements prescribed in KSA 65-4a10, which states, among other things, no abortion shall be performed or induced by any person other than a physician licensed to practice medicine in Kansas.

Hiring by business entity. Effective March 1, 2020, the bill allows a business entity issued a certificate of authorization by the Board of Healing Arts (BOHA) to employ or contract with one or more physicians and chiropractors licensed by BOHA, for the purpose of providing professional services for which such licensees hold a valid license.

Medical care facilities in compliance with Kansas Department of Health and Environment licensure requirements and defined as a hospital, ambulatory surgical center, or recuperation center are exempt from the bill’s provisions.

The bill addresses the liability of business entities and BOHA licensees, places certain restrictions on

interactions between a business entity and its employed licensees, establishes the standards of professional conduct for business entities, requires BOHA to adopt rules and regulations, and requires the Health Care Stabilization Fund to conduct actuarial and operational studies to determine the impact on the Fund of requiring business entities to comply with the provisions of the Health Care Provider Insurance Availability Act and report the finding to the Legislature on or before January 1, 2020.



JUDICIARY

Tribal Court Judgments; Cruelty to Animals; Judicial Branch Surcharge

SB 20 provides, without waiving sovereign immunity of Kansas or of any federally recognized Indian tribe, that district courts must extend full faith and credit to orders, judgments, and other judicial acts of tribal courts of any federally recognized Indian tribe pursuant to Kansas Supreme Court rules.

The bill also amends bonding provisions within the statute governing the crime of cruelty to animals to require a bond be filed in the county where the animal was taken into custody, and the bond be maintained and renewed every 30 days as necessary to cover the cost of care and treatment of the animal until disposition is made by the court.

Finally, the bill extends the sunset date for the judicial branch surcharge to fund nonjudicial court personnel.

Domestic Violence Victim Housing Protections; Real Estate Insurance Rights

SB 78 creates law prohibiting denial of tenancy to, eviction of, or certain other adverse lease-related actions from being taken against persons who are or who are in

danger of becoming victims of domestic violence and related crimes, on the basis of or as a result of being a victim of such crimes. Such persons also would not be liable for rent after vacating rented or leased premises if they provide notice to the landlord as required by the bill. The bill includes definitions of key terms and procedural requirements, including notice to the landlord, furnishing additional information that may be requested by the landlord, imposition of a reasonable termination fee, and statutory damages of \$1,000 in an action against a landlord or property owner for violating the bill's provisions.

The bill also creates law regarding a post-loss assignment of rights to a residential contractor under a property and casualty insurance policy insuring residential real estate, including required notice in such an assignment, required copies of the assignment to be provided to the insurer, and required inclusion in the assignment of a right to cancel within five business days.

The bill also addresses certain effects of such assignment on other rights and provides an assignment is void if it violates the bill's provisions or does not comply with the Kansas Roofing Registration Act. Finally, the bill includes enforcement provisions by the Commissioner of Insurance and under the Kansas Consumer Protection Act.

Automatic Revocation of Inheritance Rights Upon Divorce

HB 2038 creates law within the Kansas Probate Code providing for the automatic revocation of certain inheritance rights of a former spouse or former spouse's relatives upon the divorce or annulment of a marriage on and after July 1, 2019. Similarly, the bill provides for automatic severance of certain interests of former spouses in property held by them at the time of divorce or annulment.

The bill includes provisions setting forth the mechanisms of its operation; an exception to automatic revocation or severance that applies if provided by the express terms of a governing instrument, court order, or certain contracts; and the effect of the automatic revocation or severance on third parties, including potential liability of payors or other third parties.

Finally, the bill addresses the obligations of those purchasing or receiving payment or items of property involved in an automatic revocation or severance and the effect of federal preemption.

Waiver of Driver's License Reinstatement Fee

HB 2211 allows a person who is assessed a driver's license reinstatement fee and surcharge to petition the court to waive payment of such fee and surcharge. The court may waive, in whole or in part, or modify the method of payment of such fee and surcharge if it finds payment of the assessed amount would impose manifest hardship on that person or that person's immediate family.

Scrap Metal Theft Reduction Act

HB 2248, among other things, makes several amendments to the Scrap Metal Theft Reduction Act, including setting an expiration date of July 1, 2023, for the Act; delaying or making unenforceable certain provisions of the Act until July 1, 2020; establishing the Scrap Metal Data Repository Fund; transferring responsibility for the establishment and maintenance of the scrap metal database from the Attorney General to the Kansas Bureau of Investigation; requiring annual reports by the Attorney General; and adjusting the information a scrap metal seller must provide, maintain, and report to the database.



OPEN RECORDS

Peer Support Counseling Sessions; National Guard Members

HB 2365 makes notes, records, or reports arising out of peer support counseling sessions involving National Guard Members confidential, exempt from the Kansas Open Records Act, and inadmissible and not subject to disclosure or discovery in judicial and other proceedings.



PUBLIC SAFETY

Changes to EMS and Licensure

SB 53, among other things, creates and amends law relating to emergency medical services (EMS) and licensure by the EMS Board (Board). The bill creates an inactive certificate and reduces the number of required Board meetings each year from six to four. The bill also adds a definition for "emergency medical service provider."



REDISTRICTING

Adjustments to Census Data

SCR 1605 submits to the qualified electors of the state an amendment to Article 10, Section 1 of the *Kansas Constitution*, which concerns reapportionment of senatorial and representative districts, to remove the census adjustment for military personnel and students. The amendment will be submitted to the electors at the general election in November 2019.



RETIREMENT

SGF Transfer to the KPERS Trust Fund

SB 9 transfers \$115.0 million from the State General Fund to the Kansas Public Employees Retirement System (KPERS) Trust Fund. The transfer is for repayment of reduced KPERS-School group employer contributions from participating employers in prior fiscal years.

Working After Retirement

HB 2031 makes several revisions to KPERS and the Kansas Police and Firemen’s Plan (KP&F).

Starting July 1, 2019, the Executive Director of KPERS may waive working-after-retirement penalties if one of the following conditions are met:

- The retiree’s period of reemployment is less than 21 days;
- The retiree’s compensation during the period of reemployment is less than 10.0 percent of the retiree’s KPERS benefit that is suspended as provided by law; or
- Other facts and circumstances indicate the retiree would not have been reemployed but for an error on the part of the KPERS-participating employer or KPERS in verifying that person’s retirement status and the retiree immediately terminated employment upon notice of the violation.

The bill allows agents of the Kansas Bureau of Investigation to participate in the Kansas Deferred Retirement Option Program of the KP&F, which was authorized previously for troopers, examiners, and officers of the Kansas Highway Patrol. The sunset date for the program is extended from January 1, 2020, to January 1, 2025.



STATE FINANCES

State Budget

House Sub. for SB 25 includes adjusted funding for fiscal year (FY) 2019, FY 2020, and FY 2021 for select state agencies, and FY 2019 and FY 2020 capital improvement expenditures for a number of state agencies.

FY 2019. The approved FY 2019 budget totals \$17.2 billion, including \$7.1 billion from the State General Fund (SGF). The budget is an all funds increase of \$9.2 million, including \$7.1 million from the SGF, above the Governor’s recommendation. The bill also deletes 80.0 full-time equivalent (FTE) positions. The FY 2019 appropriations for claims against the State is included. Major adjustments to the FY 2019 approved budget include the following.

Department of Administration. One-time payment to the federal government for the debt setoff settlement agreement (\$9.3 million).

PMIB. Delete the transfer of \$264.3 million from the SGF to the Pooled Money Investment Portfolio to complete the repayment of the entirety of the Pooled Money Investment Board (PMIB) bridge loan in FY 2019. This leaves \$52.9 million for the FY 2019 scheduled transfer.

State Highway Fund. Add language to transfer up to \$50.0 million from the SGF to the State Highway Fund at the end of FY 2019. The amount to be transferred is the amount that revenue receipts during FY 2019 exceed FY 2019 consensus revenue estimates, up to \$50.0 million. Expenditure of these funds would require a 25.0 percent local match. [Note: For additional information on this provision, see the Transportation section.]

FY 2020. The approved FY 2020 budget totals \$18.4 billion, including \$7.7 billion from the SGF. The budget is an all funds decrease of \$239.5 million and an SGF increase of \$178.2 million from the Governor’s recommendation. The bill also deletes 85.0 FTE positions. Major adjustments from the FY 2020 approved budget include the following.

Kansas Department of Health and Environment–Health Care Finance. Add \$4.9 million and 313.00 FTE positions for the KanCare Clearinghouse; add \$12.4 million for the Children’s Health Insurance Program; add \$3.0 million, including \$1.3 million from the SGF, to increase Medicaid dental reimbursement rates; and add \$14.2 million, all from the SGF, for the Health Care Assessment Improvement Program and require the agency to submit a request to increase the hospital assessment rate to 3.0 percent.

Kansas Department for Aging and Disability Services. Add \$10.1 million, including \$4.2 million from the SGF, to provide a 1.5 percent increase in the reimbursement rates for providers of Home and Community Based Services (HCBS) waiver services; add \$6.8 million, including \$3.1 million from the SGF, to rebase the reimbursement rates for the Program of All-Inclusive Care for the Elderly (PACE); add \$6.0 million, including \$2.5 million from the SGF, to reduce the waitlists for Medicaid HCBS waivers for individuals with intellectual/developmental disabilities (\$5.0 million from all funds) and individuals with physical disabilities (\$1.0 million from all funds); add \$6.8 million, including \$2.8 million from the SGF, to provide a 1.0 percent increase in the reimbursement rates for nursing facilities; add \$5.0 million, all from the SGF, for Community Mental Health Center grants; and add \$12.4 million, including \$5.3 million from the SGF, to increase the protected income level for HCBS waiver

services recipients and individuals in the PACE to \$1,177 per month.

Department for Children and Families. Add \$2.6 million from the SGF to add 16.0 FTE additional child welfare staff positions, for a total of 42.0 FTE positions over two years; add \$9.3 million, including \$6.9 million from the SGF, for the Family First Prevention Services Act; and add \$7.1 million, including \$3.0 million from the SGF, for Kansas Eligibility Enforcement System upgrades. [Note: For additional information on this provision, see the Children and Youth section.]

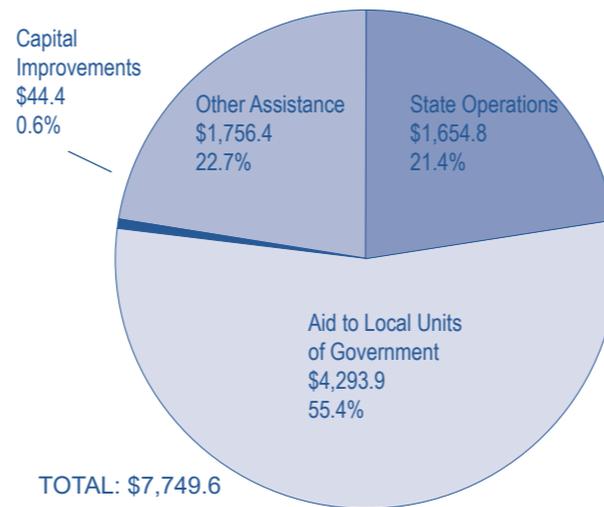
Department of Corrections and correctional facilities. Add \$41.0 million, all from the SGF, for shrinkage, hiring, compensation, contract beds, hepatitis C treatment, housing adult female offenders (\$3.0 million), and the medical contract.

Kansas Board of Regents. Add \$33.0 million, all from the SGF, to restore Kansas State University global food system research, performance, non-tiered course credit, postsecondary tiered technical education state aid, municipal university operating grants, and comprehensive grants.

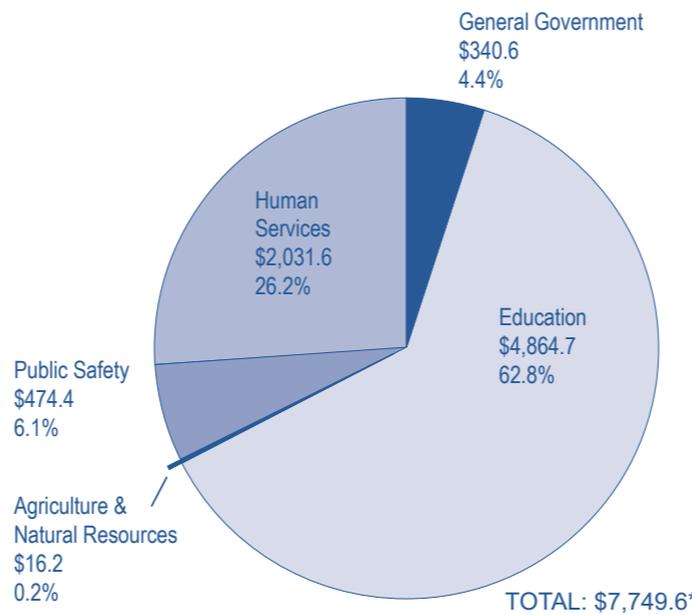
Department of Education. Add \$5.0 million, all from the SGF, to provide funding for safety and security grants.

State employee pay. Provide for a 2.5 percent salary increase for all state employees, including those in the Judicial Branch, who are not otherwise receiving an increase in FY 2020. Statewide elected officials and legislators are excluded.

FY 2020 Approved State General Fund Budget by Major Purpose (Dollars in Millions)



FY 2020 Approved State General Fund Budget by Function of Government (Dollars in Millions)



* State expenditures by function of government do not include \$22.0 million in salary adjustments that are included in total expenditures.



STATE GOVERNMENT

Attorney General; Background Checks; Criminal Justice Reform Commission; Closed Case Task Force

HB 2290 creates and amends law related to various public agencies.

Attorney General. The bill creates in the Office of the Attorney General a Crime Victims Compensation Division to administer and support the operations of the Crime Victims Compensation Board. The bill sets forth the structure and duties of the new division.

The bill requires the Attorney General to appoint a Kansas Youth Suicide Prevention Coordinator and support staff to identify, create, and coordinate and support youth suicide awareness and prevention efforts.

The bill requires the Attorney General to appoint a Kansas Victim and Notification Everyday (VINE) Coordinator and support staff to work with interested parties throughout Kansas to oversee the statewide implementation of the VINE system. The bill authorizes the Attorney General to appoint an advisory board of up to five members, including certain required members, to make recommendations for the implementation and operation of the VINE program.

Payment for KORA and KOMA defense. The bill provides for repayment by a state agency to the Tort Claims Fund of the cost of defense or indemnification provided for the agency or employee arising out of an alleged violation of the Kansas Open Records Act or Kansas Open Meetings Act.

KBI—background checks. The bill authorizes certain businesses or organizations that provide care to children, the elderly, or individuals with disabilities to require state and national criminal history record checks of employed and volunteer providers who have unsupervised access to children, the elderly, or individuals with disabilities. These entities may request the Kansas Bureau of Investigation (KBI) to conduct the record checks and requires the KBI to release all records of a person’s adult convictions and diversions to the requesting entity. The bill outlines the information and documentation that must be provided with a request and requires local and state law enforcement officers and agencies to assist entities with taking and processing fingerprints.

Kansas Criminal Justice Reform Commission. The bill establishes a 16-member Criminal Justice Reform Commission composed of legislators, judicial branch personnel, and stakeholders, and requires the Commission to analyze, review, and study various criminal justice topics specified by the bill. The bill includes provisions regarding appointment of members, testimony, meetings, support services, and compensation. The Commission must submit an interim report to the Legislature by December 1, 2019, and a final report and recommendations to the Legislature by December 1, 2020.

Kansas Closed Case Task Force. The bill establishes a 15-member Kansas Closed Case Task Force, composed of legislators, executive branch officials, and stakeholders, and requires the Task Force to develop a plan to ensure uniform statewide policies and procedures related to the handling, reporting, investigation, and sharing of information regarding hits to the state- combined DNA index system related to solved and unsolved cases. The Task Force is required to complete the plan by October 1, 2020, and submit a report by December 1, 2020. The

Task Force will expire December 30, 2020. The bill also includes provisions regarding appointment of members, meetings, duties, and compensation of members.

State of Disaster Emergency Declaration

HCR 5015 ratifies the Governor’s May 9, 2019, State of Disaster Emergency declaration and extends this declaration period from May 9, 2019, until January 13, 2020, subject to extension by the State Finance Council. Fifty-six counties are identified in this resolution. The resolution further provides the Governor may designate additional counties in accordance with law.



TAXATION

Tax Credit; Employment of Individuals with Disabilities

HB 2044 authorizes a new income tax credit for tax year (TY) 2019 through TY 2023 equivalent to 15.0 percent of expenditures on goods and services purchased from qualified vendors or nonprofit businesses that provide a certain level of health insurance benefits and have at least 30.0 percent of their employees be resident Kansans with disabilities. The amount of the credit is capped at \$500,000 per each qualified vendor each tax year. The cumulative amount of credits allowed is capped at \$5.0 million.

County Sales Tax Options

HB 2140 makes multiple changes in local sales tax authorization statutes, among other provisions.

The bill increases the maximum local sales tax rate that could be imposed by Thomas County, subject to voter approval, from 1.50 percent to 1.75 percent, provided all taxes levied in excess of 1.00 percent remain earmarked for certain county administrative facilities. Any specially

earmarked tax imposed by the bill sunsets when the project costs have been fully paid.

The bill also extends from five years to ten years the sunset on any 0.5 percent tax imposed by Russell County for economic development initiatives or public infrastructure projects.

The bill renews Jackson County’s authority to impose, subject to voter approval, a countywide sales tax of 0.4 percent to finance public infrastructure projects. Any such tax imposed sunsets after seven years.

The bill allows Dickinson County to impose, subject to voter approval, a countywide sales tax of 0.5 percent to finance roadway construction and improvement. This authorization requires any such tax imposed to sunset after ten years.

The bill extends the authority of Wabaunsee County to impose a 0.5 percent retail sales tax for an additional period not to exceed 15 years, subject to voter approval.

In addition, the bill retroactively ratifies the results of a 2017 election in Finney County that increased that county’s tax by 0.3 percent. The tax imposed by the election would be for purposes of an interlocal agreement between the county and Garden City regarding certain infrastructure upgrades and will sunset after 15 years.



TRANSPORTATION

Funding for Transportation

House Sub. for SB 25 includes a transfer from the State General Fund (SGF) to the State Highway Fund (SHF) of as much as \$50.0 million for transportation projects for which a 25.0 percent match is required, \$6.4 million for delayed Transportation Works for Kansas projects, an

increase from \$3,000 to \$5,000 in the amount per lane mile in city connecting links payments, and reduced transfers from the SHF to the SGF. [Note: For additional information on House Sub. for SB 25, see the State Finances section.]

Vehicle Operation

SB 63 authorizes operation of all-terrain vehicles by persons engaged in agricultural purposes on federal or state highways posted with speed limits of 65 miles per hour or less under certain circumstances. The bill also authorizes the governing body of a city or county to restrict the use of electric-assisted scooters, authorizes use of certain transparent materials on windshields, authorizes cities to permit certain lights on transportation network company vehicles, and requires drivers to stop for on-track equipment as continuing law requires them to stop for trains.

Tolling

Senate Sub. for HB 2007 authorizes toll or turnpike projects that add capacity to highways or bridges or are new facilities where they did not exist, if the project is found to be feasible and a proposal for the project is presented jointly by the Secretary of Transportation and local officials to, and is approved by, the State Finance Council and the Kansas Turnpike Authority (KTA). Tolls need not cover all costs. The bill also removes a requirement for new KTA projects to be financed solely from tolls.

Electric Vehicle Fees

Senate Sub. for HB 2214 adds two motor vehicle registration categories and fees as of January 1, 2020: \$100 for all-electric vehicles and \$50 for electric hybrid or plug-in electric hybrid vehicles.

Fees for Oversize Vehicles

Senate Sub. for HB 2225 increases fees, as of January 1, 2020, for certain single-trip permits authorizing oversize or overweight vehicles to operate on designated routes: from \$20 to \$40 for each single-trip permit, from \$30 to \$200 for each large structure permit, and from \$50 to \$200 for each single-trip permit for a superload. The fee for an annual permit will increase from \$150 to \$200. The bill also requires motor carrier escort companies to register with the Secretary of Transportation and meet certain requirements.



UTILITIES & TELECOMMUNICATIONS

Wireless Siting Franchise Fees

SB 68 prohibits a city from requiring wireless services and infrastructure providers to enter into various valid franchise agreements for the deployment of small cell facilities. Cities may continue to govern wireless services and infrastructure providers' use of the public right-of-way *via* master license agreements and other mechanisms. A city may also assess a fixed right-of-way access fee, not based on a provider's gross receipts derived from service provided within a city's limits, for each small cell facility a provider deploys in the right-of-way.

Electric Rate Study

Sub. for SB 69 directs the Legislative Coordinating Council to authorize a study of retail rates of Kansas electric public utilities to assist future legislative and regulatory efforts in developing policy that includes regionally competitive rates and reliable service. The utilities subject to the study include statutorily defined electric public utilities, electric cooperative public utilities exempt from Kansas Corporation Commission

jurisdiction, and the three largest municipally owned or operated electric utilities by customer count. The study will be conducted in two parts, with the first part to be completed by January 8, 2020, and the second part to be completed by July 1, 2020.

Kansas 911 Act

HB 2084 revises the Kansas 911 Act by making changes to definitions; membership of the 911 Coordinating Council (Council); administration of funds by the Council; the Council's rules and regulations authority; Local Collection Point Administrator (LCPA) expenses; public safety answering point (PSAP) geographic information service data requirements; PSAP annual report requirements, distributions, and expenditures; 911 fee funds; liability provisions; audit expenses; and county restrictions. Among other things, the bill increases the 911 fee from \$0.53 to \$0.90 per month, per subscriber account, and requires the LCPA to withhold \$0.23 from the fee and deposit it in the 911 Operations Fund for deployment and maintenance of the statewide Next Generation 911 system.

Marking of Underground Facilities

HB 2178 amends the definition of "operator" in the Kansas Underground Utility Damage Prevention Act to specify an electric utility is not considered an operator of any portion of an underground facility that is on another person's side of the point where ownership changes from the electric public utility to another person as determined by certain specified documents. Consequently, the utility would not have a duty to mark underground facilities on another person's property.

2019 Legislative Session At-A-Glance

Bill Information

Senate bills introduced in the 2019 Session.....	241
Senate bills carried over to the 2020 Session	208
House bills introduced in the 2019 Session	419
House bills carried over to the 2020 Session	355
Bills considered in 2019 Session that became law:	
House Bills.....	39
Senate Bills	29
Percentage of Bills that became law:	10.3%
Days in Session.....	79 (Senate); 78 (House)

Fiscal Information for FY 2019

(Dollars in Millions)

Estimated State General Fund Revenue	
Income Taxes	\$ 4,242.0
Excise Taxes	3,053.8
All Other	135.9
TOTAL	\$ 7,431.7
Estimated State Budget	
State General Fund	\$ 7,749.6
All Other	10,674.5
TOTAL	\$ 18,424.1
2018 Population Estimate	2,911,505

Highlights of What's Inside:

- Claire and Lola's Law
- Commercial Industrial Hemp Program
- Healthcare Benefits Coverage and Association Health Plans
- Housing Protections for Domestic Violence Victims
- School Finance
- State Budget

Numerical Index of Bills

SB 98	SB 1284	HB 2140 10
SB 155	Sub. for SB 1304	HB 2144 4
House Sub. for SB 163	SCR 1605 7	Senate Sub. for HB 2167 1
SB 183	SCR 1606 1	HB 2177 4
SB 206	Senate Sub. for HB 2007 11	HB 217811
House Sub. for SB 25 2, 8, 10	HB 2031..... 8	HB 22095
SB 28 6	HB 2035 2	HB 22117
SB 537	HB 20387	Senate Sub. for HB 2214 11
SB 63 11	HB 20392	HB 2223 2
SB 68 11	HB 204410	Senate Sub. for HB 222511
Sub. for SB 69 11	HB 2084 11	HB 2248 7
SB 70..... 1	HB 2101 4	HB 2290 9
SB 77..... 2	HB 2103 2	HB 23657
SB 786	HB 2104 3	HCR 501510
SB 82..... 4	HB 21196	