Kansas Legislative Research Department March 24, 2016

PRELIMINARY SUMMARY OF LEGISLATION
2016 KANSAS LEGISLATURE

This publication contains summaries of selected bills enacted by the Legislature as of 5:00 p.m., March 22, 2016. Bills that have not yet been signed by the Governor are included.

A supplement containing summaries of major bills which were enacted after that date will be distributed during the week of March 28, 2016. An additional supplement will be mailed after the wrap-up session in May.

Highlights, a summary of major legislation, will be prepared after the Legislature adjourns and will be mailed to legislators as soon as possible. *The Summary of Legislation*, which accounts for all bills enacted by the 2016 Legislature, will be distributed at a later date.

These documents are available on the Kansas Legislative Research Department's website: http://www.kslegislature.org/klrd (under "Summaries").

Kansas Legislative Research Department
300 SW 10th Avenue
Room 68-West, Statehouse
Topeka, Kansas 66612-1504

Telephone: (785) 296-3181
Fax: (785) 296-3824
kslegres@klrd.ks.gov
http://www.kslegislature.org/klrd

Table of Contents

AGRICULTURE AND NATURAL RESOURCES

Multi-year Flex Accounts; SB 329

SB 329 requires any approval of an application to change the place of use of a base water right automatically results in a change to the place of use for a multi-year flex account (MYFA) term permit. Current law allows the Chief Engineer of the Division of Water Resources of the Kansas Department of Agriculture to modify a base water right upon application, but if the base water right holder is enrolled in a MYFA term permit, the Chief Engineer must dismiss the MYFA term permit and the base water right holder must reapply for the MYFA term permit.

Conservation Reserve Enhancement Program; SB 330

SB 330 establishes the Kansas Conservation Reserve Enhancement Program (CREP) in statute. The CREP was first created by the 2007 Legislature and has existed since then by its authorizing language being annually included in appropriations bills.

Disposition of Detainers; SB 392

SB 392 amends the Uniform Mandatory Disposition of Detainer Act by specifying it is to apply to an inmate in the custody of the Secretary of Corrections (Secretary). The bill requires delivery of an inmate's request of final disposition and adds the Secretary to those persons to whom the request must be sent.

General language regarding a warden, superintendent, or other official having custody of prisoners is replaced with the term "Secretary," and the term "prisoner" is replaced with the term "inmate."

Language regarding delivery of the request is clarified to specify that the Secretary is to promptly take certain actions upon receiving the inmate's request.

A reference to the State Board of Probation and Parole is updated to reflect the Prisoner Review Board's succession.

Provisions are added specifying that detainers shall be disposed of in the order in which they are placed with the Secretary. If an inmate has detainers from multiple jurisdictions, the district or county attorneys in those jurisdictions may agree to a different order of disposition. The Secretary is directed to allow transportation of inmates for the disposition of detainers.

The existing 180-day time limit to bring an indictment, information, or complaint to trial, or a motion to revoke probation for hearing, is clarified to provide that in the case of detainers from multiple jurisdictions, the first detainer shall be brought within 180 days and each subsequent detainer shall be brought within 180 days after return of the inmate to the Secretary or transportation of the inmate to the jurisdiction following disposition of the previous detainer.

The existing continuance provision is replaced with a provision stating the time limits shall not apply to time during which a continuance or delay has been requested or agreed to by the inmate or the inmate's attorney, to time during which a motion to determine competency of the inmate is pending, or to time during which an inmate is determined to be incompetent to stand trial.

The word "uniform" is struck from the title of the act in light of the changes made by the bill.

Minor in Possession of Alcohol—Immunity from Liability for Seeking Medical Assistance; SB 133

SB 133 amends the crime of possessing, consuming, obtaining, purchasing, or attempting to obtain or purchase alcohol by a person under 21 to include immunity from prosecution for a person and, if applicable, one or two other persons acting in concert with such person, who initiated contact with law enforcement or emergency medical services; requested medical assistance on such person's behalf because such person reasonably believed he or she was in need of medical assistance; and cooperated with emergency medical services personnel and law enforcement officers in providing medical assistance.

The bill also extends immunity from prosecution when a person and, if applicable, one or two other persons acting in concert with such person, initiated contact with law enforcement or emergency medical services or was one of one or two other persons who acted in concert with such person; requested medical assistance for another person who reasonably appeared to be in need of medical assistance; provided their full name, the name of one or two other persons acting in concert with such person, if applicable, and any other relevant information requested by law enforcement or emergency medical services; remained at the scene with the person who reasonably appeared to be in need of medical assistance until emergency medical services personnel and law enforcement officers arrived; and cooperated with emergency medical services personnel and law enforcement officers in providing medical assistance. Immunity also shall be extended to the person who reasonably appeared to be in need of medical assistance but did not initiate contact with law enforcement or emergency medical services if the person cooperated with emergency medical services personnel and law enforcement in providing medical assistance.

The bill states a person shall not be allowed to initiate or maintain an action against a law enforcement officer or such officer's employer based on the officer's compliance or failure to comply with these new provisions.

EDUCATION

Extending Sunset of School District Efficiency Audits; SB 312

SB 312 extends the sunset of a statute requiring the Legislative Division of Post Audit to conduct three school district efficiency audits each fiscal year from June 30, 2017, to June 30, 2020. The bill also allows a school district to decline participation in an efficiency audit if the district has participated in a similar audit in the past ten years. Previously, a school district could decline participation if it had participated in a similar audit in the past five years.

Nurse Educator Service Scholarship Program Act; SB 358

SB 358 amends definitions in the Nurse Educator Service Scholarship Program Act. The bill adds to the definition of "school of nursing" "accredited independent institution," which is defined as a not-for-profit institution of higher education that has its main campus or principal place of operation in Kansas, is operated independently and not controlled or administered by the state, maintains open enrollment, and holds accreditation to grant a master of science or doctoral degree in nurse education or nursing administration from a national accrediting entity recognized by the U.S. Department of Education. Further, the bill defines "open enrollment" as having the meaning found in KSA 2015 Supp. 74-32,120: the policy of an institution of higher education which provides the opportunity of enrollment for any student who meets its academic and other reasonable enrollment requirements, without regard for race, gender, religion, creed, or national origin.

Water District Easements; SB 412

SB 412 authorizes Water District Number 1 (WaterOne) of Johnson County, Kansas, to use an existing easement located along the south and north banks of the Kansas River granted by the state for the purpose of locating, constructing, maintaining, and operating hydropower generation equipment and facilities for the production of electricity. WaterOne assumes full responsibility for using the easement in this manner. WaterOne has been authorized to use the easement only for the diversion of water to its facility.

Siting of Wireless Telecommunications Infrastructure; Permit Application Process Between Wireless Service Providers and Municipalities; Kansas Universal Service Fund; Senate Sub. for HB 2131

Senate Sub. for HB 2131 creates new law concerning the siting of wireless telecommunications infrastructure and the permit application process between wireless service providers and municipalities. In addition, the bill amends existing law regarding rural telephone companies and the Kansas Universal Service Fund (KUSF). The bill makes several changes to how a rural telephone company changes its local service rates, how KUSF support for rate of return carriers is determined, and the regulation of rural telephone companies that use VoIP or IP-enabled services.

Siting of Wireless Telecommunications Infrastructure

The bill establishes the Kansas Legislature finds and declares that wireless facilities are critical for Kansas citizens to have access to broadband and other advanced technology and information, along with the facilities being critical for the state's economy, and that the facilities are matters of statewide concern and interest.

Definitions

The following terms are among the 24 terms defined in the bill.

"Authority" means any governing body, board, agency, office, or commission of a city, county, or the State that is authorized by law to make legislative, quasi-judicial, or administrative decisions concerning an application. "Authority" does not include any school district, as defined in law, or any court having jurisdiction over land use, planning, zoning, or other decisions made by an authority.

"Public right-of-way" means only the area of real property in which the authority has a dedicated or acquired right-of-way interest in the real property. It includes the area on, below, or above present and future streets, alleys, avenues, roads, highways, parkways, or boulevards dedicated or acquired as right-of-way. "Public right-of-way" does not include any state, federal, or interstate highway right-of-way, which generally includes the area that runs contiguous to, parallel with, and is generally equidistant from the center of that portion of the highway improved, designed, or ordinarily used for public travel.

"Small cell facility" means a wireless facility that meets both of the following qualifications:

- Each antenna is located inside an enclosure of no more than six cubic feet in volume, or in the case of an antenna that has exposed elements, the antenna and all of the antenna's exposed elements can fit within an imaginary enclosure of no more than six cubic feet; and

- Primary equipment enclosures that are no larger than 17 cubic feet in volume, or facilities comprised of such higher limits as the Federal Communications Commission (FCC) has excluded from review pursuant to federal law. Associated equipment can be located outside the primary equipment and, if so located, is not to be included in the calculation of equipment volume. (Under the bill, associated equipment would include, but not be limited to, any electric meter, concealment, telecommunications demarcation box, ground-based enclosures, back-up power systems, grounding equipment, power transfer switch, cut-off switch, and vertical cable runs for the connection of power and other services.)

"Small cell network" means a collection of interrelated small cell facilities designed to deliver wireless service.

"Wireless facility" means equipment at a fixed location that enables wireless communications between user equipment and a communications network, including, but not limited to:

- Equipment associated with wireless services such as private, broadcast, and public safety services, as well as unlicensed wireless services and fixed wireless services such as microwave backhaul; and

- Radio transceivers, antennas, coaxial or fiber-optic cable, regular and backup power supplies and comparable equipment, regardless of technological configuration.

Fees

The bill establishes the application process for the siting of a wireless facility, including:

- The types of fees that an authority can or cannot charge or assess;

- The expenses that an authority can incur during an application review; and

- The cap on total charges and fees that can be assessed by the authority.

In addition, the authority will not be allowed to charge a fee to locate a wireless facility or support structure on any public right-of-way controlled by the authority, if the authority does not charge other providers for the same use. If the authority does charge other providers, then the fee charged to locate a wireless facility will be required to be competitively neutral and not unreasonable or discriminatory.

Construction, Maintenance, and Operation of Wireless Services within the Public Right-of-way

The wireless service provider will have the right to construct, maintain, and operate wireless services along, across, upon, under, or above the public right-of-way. The bill further specifies this provision should not be interpreted to grant any right to construct, maintain, or operate wireless services on property owned by the authority outside the public right-of-way.

The right to construct, maintain, and operate wireless services within the public right-of-way will always be subject and subordinate to the reasonable public health, safety, and welfare requirements and regulations of the authority, about which the authority may exercise its Home Rule powers, so long as doing so is competitively neutral and not unreasonable. Additionally, the authority may prohibit use or occupation of a part of the public right-of-way due to a reasonable public interest, so long as the reason is competitively neutral and not unreasonable or discriminatory.

The authority will be permitted to require a wireless services provider to repair damage to a public right-of-way that is caused by the activities of that provider or provider's agent while occupying, installing, repairing, or maintaining facilities in the public right-of-way. The authority also will have the ability to request a wireless services provider to relocate or adjust its facilities within the public right-of-way at no cost to the authority, as long as the request similarly binds all users of the right-of-way. The bill will require the authority to provide advance notice and for the relocation be directly related to public health, safety, or welfare.

The authority will have a cause of action against a provider for violation of this law that causes damages and can recover damages, including reasonable attorney fees, if the provider is found liable by a court of competent jurisdiction.

Wireless services and infrastructure providers will be required to indemnify and hold the authority harmless against any claims, lawsuits, judgments, costs, liens, losses, expenses, and fees to the extent it is found by a court of competent jurisdiction to be caused by the negligence of the wireless services or infrastructure provider.

An authority will have the ability to enter into a lease with an applicant for the use of public lands, buildings, and facilities, with the offered leases being at least ten years in duration, unless otherwise agreed to by both the applicant and the authority, and at market rates. Charges for placement of wireless facilities on public lands, if the authority chooses to charge, are required to be competitively neutral and not unreasonable, discriminatory, or in violation of existing federal or state law.

Limits on the Authority

To ensure uniformity across the State with respect to consideration of every application, the bill establishes 18 restrictions on the authority regarding what information can or cannot be required during the application process. The bill specifies the new law does not apply to military installations and would clarify the authority cannot impose restrictions at or near civilian airports. The bill also requires the authority to consider input from property owners adjoining the affected public right-of-way.

Small Cell Networks

Applicants for small cell networks involving no more than 25 individual small cell facilities of substantially similar design will be permitted to file a consolidated application and receive a single permit for the installation, construction, maintenance, and repair of a small cell network, instead of filing separate applications for each individual facility. The authority will be required to render a decision no later than 60 days after the submission of an application regarding small cell facilities.

Timing for Review

The authority will be required to review an application, make a final decision, and advise the applicant of the decision in writing within 150 calendar days of receiving an application for a new wireless support structure or within 90 calendar days of receiving an application for a substantial modification to an existing wireless support structure, or any other application that will not constitute an eligible facilities request as defined in federal law.

The bill also provides for a time period when applications are found to be incomplete and will require approval of an application if the authority fails to act on an application within the required time frame. The authority cannot institute any moratorium on applications.

Interior Structures

The bill allows the authority to continue to exercise zoning, land use, planning, and permitting authority within the authority's territorial boundaries, with regard to the siting of new or the modification of existing wireless structures. The bill restricts the authority's ability to exercise any zoning or siting jurisdiction, authority, and control over the construction, installation, or operation of any small cell facility or distributed antennae system located in an interior structure or upon the site of any campus, stadium, or athletic facility.

Definition of "Provider" Clarified

The bill specifies the definition of "provider" as defined in existing statute would not include an applicant as defined above.

Effective Date

The provisions regarding siting of wireless telecommunications infrastructure will take effect on and after October 1, 2016, and upon publication in the statute book.

Kansas Universal Service Fund

Limitation on Use of KUSF

The bill restricts a local exchange carrier (LEC) electing to operate under traditional rate of return regulation, or an entity in which a carrier directly or indirectly owns an equity interest of

10.0 percent or more, from using KUSF funding. An exception exists for Kansas Lifeline Service Program purposes for the purpose of providing telecommunication services in an area outside the carrier's authorized service area.

Price Regulation of Telecommunications Services

Rates for the initial residential local exchange access line and up to four business local exchange access lines at one location will remain subject to price cap regulation and all other rates, except rates for switched-access services, will be deemed price-deregulated.

In addition, the LEC will be authorized to adjust rates, without the Kansas Corporation Commission's (KCC) approval, by not more than the greater of the percentage increase in the consumer price index for all urban consumers or the amount necessary to maintain the local rate floor as determined by the FCC in any one-year period, and the rates cannot be adjusted below the price floor established in existing law.

Reporting Requirements

The bill removes the requirement for the KCC to determine the weighted, statewide average rate of non-wireless basic local telecommunications service and telecommunications services in exchanges that have been price-deregulated and report that information annually to the Governor, the Legislature, and each member of the standing committees of the House and Senate that are assigned telecommunications issues. The bill also eliminates the KCC's annual reporting requirement on the current rates for services provided by all telecommunications carriers, services in price-deregulated exchanges, service offerings, and number of competitors in price-deregulated exchanges.

Individual Customer Pricing

The bill allows a LEC to offer individual customer pricing without prior approval by the KCC. In response to a complaint filed with the KCC that an individual customer pricing agreement is priced below the price floor set forth in existing statute, the KCC will be required to issue an order within 60 days after the filing, unless the complainant agrees to an extension.

Application by Rural Telephone Companies; FUSF Support

The KCC will be required to approve an application within 45 days by a rural telephone company to increase the company's local service rates in a necessary amount for the company to maintain eligibility for full Federal Universal Service Fund (FUSF) support. If the KCC does not approve the application within 45 days, the application will be deemed approved.

KUSF Contributions and Support; Regulation

The bill changes the required contributions to the KUSF to be based upon the provider's intrastate telecommunications services net retail revenues on an equitable and non-discriminatory basis. Current law requires KUSF contributions to be on an equitable and non-discriminatory basis. In addition, the KCC will be restricted from requiring any provider to

contribute to the KUSF under a different contribution methodology than the provider uses for purposes of the FUSF, including for bundled offerings.

Additionally, for each LEC electing to operate under traditional rate of return regulation, all KUSF support will ensure the reasonable opportunity for recovery of the carrier's intrastate embedded costs, revenue requirements, investments, and expenses, subject to the annual cap of $30.0 million.

No KUSF support received by a LEC electing to operate under traditional rate of return regulation will be allowed to be used to offset any reduction of FUSF support for recovery of the carrier's interstate costs and investments.

In any year the total KUSF support for carriers may exceed the annual cap of $30.0 million, each carrier's KUSF support will be proportionately based on the amount of support each carrier would have received, absent the cap.

The bill also specifies that existing law regarding regulation of VoIP services, IP-enabled services, or any combination thereof cannot be construed to modify the regulation of any rural telephone company.

ENVIRONMENT

Asbestos—Elimination of State Training and Certification Requirements; HB 2516

HB 2516 eliminates requirements for Kansas-specific training and certification of individuals who perform asbestos abatement work. The bill instead requires these individuals to meet federal training requirements, which are identical to current state requirements. The time period for which companies licensed under the Asbestos Control Act are required to keep records of employee training is reduced from six years to three years to be consistent with the document retention policies of other Kansas air programs.

The bill removes the requirement for the Secretary of Health and Environment to establish a schedule of fees for certification by rules and regulations.

The bill retains training, licensing, and certification fees in the State General Fund.

Interstate Compact for Recognition of Emergency Medical Personnel Licensure; SB 225

SB 225 enacts the Interstate Compact for Recognition of Emergency Medical Personnel Licensure (Compact). The Compact is designed to achieve the following purposes and objectives:

- Increase public access to emergency medical service (EMS) personnel;
- Enhance states' ability to protect the public's health and safety, especially patient safety;
- Encourage the cooperation of member states in the areas of EMS personnel licensure and regulation;
- Support licensing of military members who are separating from an active duty tour and their spouses;
- Facilitate the exchange of information between member states regarding EMS personnel licensure, adverse action, and significant investigatory information;
- Promote compliance with the laws governing EMS personnel practice in each member state; and
- Invest all member states with the authority to hold EMS personnel accountable through the mutual recognition of member state licenses.

The Compact will create and establish a joint public agency known as the Interstate Commission for EMS Personnel Practice (Commission), with each member state limited to one delegate who would have one vote with regard to the promulgation of rules and creation of bylaws and participate in the business and affairs of the Commission.

Oversight of the Compact is the responsibility of the executive, legislative, and judicial branches of the state government in each member state, and each state is required to take all actions necessary and appropriate to effectuate the Compact's purposes and intent. Provisions of the Compact and the rules promulgated by the Commission will have standing as statutory law.

The Compact becomes effective on the date on which the Compact is enacted into law in the tenth member state. The provisions that become effective at that time are limited to the powers granted to the Commission relating to assembly and promulgation of rules. Any member state can withdraw from the Compact by enacting a statute repealing the Compact, but the withdrawal cannot take effect until six months after enactment of the repealing statute.

Compact Between the Prairie Band Potawatomi Nation and the State of Kansas; SB 484

SB 484 approves and adopts by reference as state law the compact relating to cigarette and tobacco sales, taxation, and escrow collection between the Prairie Band Potawatomi Nation and the State of Kansas printed in the Journal of the House and the Journal of the Senate on March 2, 2016. The bill requires the Secretary of State to publish the Compact in the *Kansas Register*.

The bill takes effect upon publication in the *Kansas Register*.

Compact Between the Iowa Tribe of Kansas and Nebraska and the State of Kansas; SB 485

SB 485 approves and adopts by reference as state law the compact relating to cigarette and tobacco sales and taxation between the Iowa Tribe of Kansas and Nebraska and the State of Kansas printed in the Journal of the House and the Journal of the Senate on March 2, 2016. The bill requires the Secretary of State to publish the Compact in the *Kansas Register*.

The bill takes effect upon publication in the *Kansas Register*.

Constitutional Right to Hunt; HCR 5008

HCR 5008 proposes a state constitutional amendment for consideration at the next general election, in November 2016. That amendment, if approved by a majority of Kansas voters, would establish a constitutional right to hunt, fish, and trap wildlife in the state.

The amendment would add a new section to the Bill of Rights in the *Kansas Constitution* to create the constitutional right of the public to hunt, fish, and trap wildlife. The amendment would specify the people have the right to hunt, fish, and trap by traditional methods, subject to reasonable laws and regulations that promote wildlife conservation and management and that preserve the future of hunting and fishing. The amendment also would specify that hunting and fishing shall be the preferred means for managing and controlling wildlife, and the amendment would not be construed to modify any provision of law relating to trespass, property rights, or water resources.

Terrorist Detainees; HCR 5024

HCR 5024 urges the President of the United States to declare the detention facility at Naval Station Guantanamo Bay will remain and terrorist detainees will not be transferred to Fort Leavenworth. The resolution states Fort Leavenworth does not have the necessary facilities to hold and care for the detainees and does not have the law enforcement or emergency response resources or the physical capability to harden potential civilian targets, and that a transfer of terrorist detainees would unnecessarily and intentionally put American citizens at much greater risk. In addition, officers from other countries who attend classes at Fort Leavenworth may choose not to bring their families, or might not be permitted by their countries to attend, if detainees were transferred to Fort Leavenworth, which would hurt the local economy and potentially affect the country's future ability to effectively find peaceful solutions to international problems.

Pharmacy Benefits Managers—Maximum Allowable Cost Pricing and Reimbursement; Sub. for SB 103

Sub. for SB 103 enacts new law relating to contracts between pharmacies and pharmacy benefits managers (PBMs).

Definitions

The bill establishes the following definitions relating to reimbursements for certain drugs and documentation of pricing associated with those drugs:

- "List" means the list of drugs for which maximum allowable costs have been established;
- "Maximum allowable cost" or "MAC" means the maximum amount that a PBM will reimburse a pharmacy for the cost of a generic drug;
- "Network pharmacy" means a pharmacy that contracts with a PBM; and
- "Pharmacy benefits manager" or "PBM" is assigned its meaning from the Pharmacy Benefits Manager Registration Act (Act). The existing definition for a PBM follows:
    - A person, business, or other entity that performs pharmacy benefits management. Pharmacy benefits manager includes any person or entity acting in a contractual or employment relationship for a pharmacy benefits manager in the performance of pharmacy benefits management for a covered entity.

Under the Act, the definition of PBM specifies a number of services associated with the administration of certain pharmacy benefits, including mail service pharmacy; claims processing, retail network management, and payment of claims to pharmacies for prescription drugs dispensed to covered individuals; clinical formulary development and management services; rebate contracting and administration; certain patient compliance, therapeutic intervention, and generic substitution programs; disease management programs involving prescription drug utilization; and the procurement of prescription drugs at a negotiated rate for dispensation to covered individuals and the administration or management of prescription drug benefits provided by a covered insurance entity for the benefit of covered individuals. [KSA 2015 Supp. 40-3822(d)]

Drug Pricing, MAC List, Appeals Process

The bill prohibits a PBM from placing a drug on a MAC list unless there are at least two therapeutically equivalent multi-source generic drugs, or at least one generic drug available from at least one manufacturer, generally available for purchase by network pharmacies from national or regional wholesalers, and the drug is not obsolete. The bill outlines additional requirements for PBMs, including:

- Providing, to each network pharmacy at the beginning of a contract term and upon request thereafter, the sources utilized to determine the MAC price;

- Providing a process for each network pharmacy provider to readily access the maximum allowable price specific to that provider;

- Reviewing and updating each applicable MAC list every seven business days and applying the updates to reimbursements by no later than one business day; and

- Ensuring that dispensing fees are not included in the calculation of MAC.

Appeals Process

The bill also requires each PBM to establish an appeal process to permit a network pharmacy to appeal reimbursement for a drug subject to MAC as outlined:

- The network pharmacy will be required to file an appeal no later than ten business days after the fill date; and

- The PBM will be required to provide a response to the appealing network pharmacy no later than ten business days after receiving an appeal request containing information sufficient for the PBM to process the appeal, as specified by the contract.

If the appeal is upheld, the PBM will be required to:

- Make the adjustment in the drug price effective no later than one business day after the appeal is resolved;

- Make the adjustment applicable to all similarly situated network pharmacy providers, as determined by the plan sponsor or PBM, as appropriate; and

- Permit the appealing pharmacy to reverse and rebill the appealed claim.

If the appeal is denied, the PBM will be required to provide the appealing pharmacy the National Drug Code number from a national or regional wholesaler operating in Kansas where the drug is generally available for purchase at a price equal to or less than the MAC and, when applicable, may be substituted lawfully.

Kansas Mortgage Business Act Amendments; SB 369

SB 369 makes several amendments to the Kansas Mortgage Business Act (KMBA).

Definitions

The bill defines the following terms:

- Application—the submission of a consumer's financial information, including the consumer's name, income, and Social Security number to obtain a credit report; the property address; an estimate of the value of the property; and the mortgage loan amount sought, for the purpose of obtaining an extension of credit;

- Individual—a human being;

- Mortgage servicer—any person engaged in mortgage servicing;

- Mortgage servicing—collecting payment, remitting payment for another, or the right to collect or remit payment of any of the following: principal, interest, tax, insurance, or other payment under a mortgage loan; and

- Not-for-profit—a business entity that is granted tax-exempt status by the Internal Revenue Service.

The bill also updates the definition of "mortgage business" to include the business of holding the rights to mortgage loans in the primary market. The term "mortgage business" is found in various provisions to incorporate all activities mortgage companies engage in under the KMBA. The bill updates the definition of "primary market" to mean a market where a mortgage business is conducted, including activities conducted by any person who assumes or accepts any mortgage business responsibilities of the original parties to the transaction. Additionally, the bill clarifies and reorders other existing definitions.

Entities Exempt from Licensing Requirements

The bill adds not-for-profit entities providing loans in conjunction with a mission of building or rehabilitating affordable homes to low-income consumers to the list of entities exempt from the licensing requirements of the KMBA.

The bill also specifies that any person who currently is licensed as a supervised lender under the Uniform Consumer Credit Code (UCCC) [KSA 2015 Supp. 16a-2-301 *et seq.*] and who conducts mortgage business is no longer exempt from licensing requirements and therefore is a Kansas mortgage company licensed under the KMBA. [*Note:* an estimated 150 supervised lenders that conduct mortgage business are no longer required to file notification forms and associated annual and volume fees as supervised lenders under the UCCC by moving to being licensed under the KMBA.]

Licensing Requirements

Under the bill, non-depository entities conducting mortgage business are required to be licensed under the KMBA. The bill also states a license or registration becomes effective as of the date specified in writing by the State Bank Commissioner (Commissioner). The definition of Commissioner is modified to include the Commissioner's designee, who is the Deputy

Commissioner of the Consumer and Mortgage Lending Division of the Office of the State Bank Commissioner (OSBC).

Display of License

The bill removes the requirement that a licensed mortgage company display its paper license on or in a physical building of its principal place of business and any branch office. Instead, the bill requires the company to make evidence of the licensure of each licensed location in a way that reasonably assures recognition by consumers and members of the general public, which could be posted electronically.

Solicitations and Advertisements

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (commonly referred to as the SAFE Act) requires a mortgage business to display its Nationwide Mortgage Licensing System and Registry (NMLS) license number on solicitations and advertisements. The bill removes the requirement that the company also display a separate Kansas license number. The mortgage company is required to maintain a record of all solicitations and advertisements for 36 months.

New Powers Granted to the Commissioner

The bill grants the Commissioner the authority to receive and act on consumer complaints. The Commissioner is able to provide guidance to persons and groups on their rights and duties under the KMBA.

Additionally, the bill permits the Commissioner to enter into any informal agreement, rather than a formal order, with a mortgage company for a plan of action to address violations of law. The informal agreement will not be subject to the Kansas Administrative Procedure Act (KAPA), the Kansas Judicial Review Act, or the Kansas Open Records Act. The informal agreement will not be considered an order or other agency action and will be considered confidential examination material. Additionally, the informal agreement will not be subject to subpoena, discovery, or admissible in evidence in any private civil action. The provisions relating to informal agreements expire on July 1, 2021.

The bill allows the Commissioner to issue, amend, and revoke written administrative guidance documents in accordance with KAPA.

Waiver of Liability

The bill specifies that no liability will be imposed under the KMBA for an act done or omitted by rule and regulation or written administrative interpretation of the Commissioner, except for refund of an excess charge. After the act or omission, the rule and regulation or written administrative interpretation may be determined by judicial or other authority to be invalid.

Compliance Requirements for Mortgage Companies with No Bona Fide Office

The bill clarifies bond requirements for a mortgage company with no *bona fide* office to be the same as those for a company with a *bona fide* office, except the surety bond requirement will continue to differ. (Continuing law requires a $100,000 surety bond for a mortgage company that does not maintain a *bona fide* office, and a $50,000 surety bond for a company that maintains a *bona fide* office.)

Further, the bill allows a mortgage company with no *bona fide* office to submit a consolidated financial statement of the parent company, in lieu of a separate balance sheet, in order to satisfy a minimum net worth of $50,000.

Information Provided by the Mortgage Company

The bill removes the requirement that a mortgage company maintain a journal of mortgage transactions. The bill clarifies the documentation a company must maintain for a mortgage transaction to be held and made available to the Commissioner, including:

- The name, address, and telephone number of each loan applicant;
- The type of loan applied for and the date of application; and
- The disposition of each loan application, including the date of loan funding; loan denial; withdrawal; name of lender, if applicable; and name of the loan originator and any compensation or other fees received by the loan originator.

Annual Report

The bill amends the annual reporting requirements for mortgage companies to include reports filed with the NMLS.

Affiliate Transfer of Property and Casualty Insurance Policies; SB 438

SB 438 enacts new law to permit the transfer of insurance policies within a group of affiliated property and casualty insurance companies. Property and casualty policies could be renewed by either:

- Issuing and delivering the policy by the current insurer or by an insurer within the same group of affiliated insurers, replacing the existing policy at the end of the policy period or term with no gap in coverage; or
- Issuing and delivering a certificate of notice extending the term of the policy beyond its policy period or term.

The bill defines “group affiliated insurers” to mean two or more insurance companies that are under substantially the same management or financial control.

The bill requires, 30 days before the end of the existing insurance policy term, notice to the insured's last known address and made available to the agent of record that the insurance policy is being renewed by a group affiliated insurer. Notice could be satisfied by the delivery of the new policy to the insured.

Exclusive Provider Organization Insurance Product; HB 2454

HB 2454 permits a health carrier licensed to offer accident and sickness insurance in Kansas to offer an insurance product that requires some or all of the health care services to be rendered by participating providers, but requires emergency services to be covered even if not delivered by a participating provider (commonly referred to as an exclusive provider organization [EPO] product). The bill allows an EPO policy to include a gatekeeper requirement, allows the health carrier to determine the cost-sharing amount for services rendered by non-participating providers, and defines applicable terms.

The following are among the terms defined in the bill:

- "Health carrier" means any insurance company, nonprofit medical and hospital corporation, municipal group funded pool, or fraternal benefit society that offers a policy of accident and sickness insurance subject to the Kansas Insurance Code;

- "Gatekeeper requirement" means the insured is required to obtain a referral from a primary care professional in order to access specialty care; and

- "Primary care professional" means a participating provider designated by the health carrier to supervise, coordinate, or provide initial care or continuing care to an insured and who may be required by the health carrier to initiate a referral for specialty care.

The bill takes effect upon publication in the *Kansas Register*.

Risk-Based Capital Instructions; HB 2485

HB 2485 amends the effective date specified in the Insurance Code for the risk-based capital (RBC) instructions promulgated by the National Association of Insurance Commissioners for property and casualty companies and for life insurance companies. The bill updates the effective date on the RBC instructions from December 31, 2014, to December 31, 2015.

Death Certificates—Electronic Filing; HB 2518

HB 2518 amends a registration provision in the Uniform Vital Statistics Act to require any death certificate, stillbirth certificate, or medical certification filed on or after January 1, 2017, be filed electronically through the Kansas electronic death registration system.

JUDICIARY

Exercise of Religious Beliefs by Student Associations; SB 175

SB 175 enacts law prohibiting a postsecondary educational institution from taking any action or enforcing any policy that would deny a religious student association any benefit available to any other student association or discriminate against a religious student association related to such benefits, due to the association's requirement that leaders or members of the association adhere to or comply with the association's sincerely held religious beliefs, comply with the association's sincere religious standards of conduct, or be committed to furthering the association's religious missions.

The bill creates a cause of action for a student or religious student association aggrieved by a violation of this provision. The aggrieved party may seek appropriate relief, including monetary damages. An aggrieved party also may assert such violation as a defense or counterclaim in a civil or administrative proceeding brought against the aggrieved party.

The bill defines "benefit," "postsecondary educational institution," "student," and "religious student association."

Notice to and Opportunity for Attorney General to Intervene before Statute or Constitutional Provision Declared Invalid or Unconstitutional; SB 334

SB 334 enacts new law and amends existing law related to the ability of the Attorney General to be fully heard before any Kansas statute or constitutional provision is determined by a Kansas court to be invalid or unconstitutional.

The new section begins by declaring the public policy of Kansas is the Attorney General should have notice and the opportunity to be fully heard before any Kansas statute or constitutional provision is determined by the Judicial Branch to be invalid or unconstitutional under the *Kansas Constitution*, the *U.S. Constitution*, or any provision of federal law.

Before declaring or making any such determination, enjoining any statute or constitutional provision for such invalidity, or entering any judgment or order determining or declaring such invalidity, a district court or district court judge, whether acting in judicial or administrative capacity, must require:

- In any criminal case, the State has been given notice of the disputed validity and an opportunity to appear and be heard on the question of validity. The notice must be served by the party disputing validity on the prosecuting attorney representing the State in the case. If the prosecuting attorney fails to respond, the court must notify the Attorney General of such failure and provide the Attorney General with the opportunity to appear and be heard on the question of validity; and

- In any civil case and all other matters, that notice of the disputed validity has been served on the Attorney General by the party disputing validity or by the court, and that the Attorney General has been given an opportunity to appear and be heard on the question of validity.

For matters before the Supreme Court or the Court of Appeals, or a justice or judge of those courts, a party filing a pleading, brief, written motion, or other filing or paper contesting the validity of any statute or constitutional provision must serve the filing on the Attorney General, with a conspicuous notice that the Attorney General is being served pursuant to this provision. The court must ensure the Attorney General has been provided notice and an opportunity to appear before the court determines any statute or constitutional provision is invalid as violating the *Kansas Constitution*, the *U.S. Constitution*, or any other provision of federal law.

If any court, justice, or judge enters a judgment or order or makes a determination or declaration in violation of this section, the Attorney General is allowed to, within a reasonable time of learning of the violation, apply to the court to set aside or rescind the court's, justice's, or judge's action. The Attorney General has the later of 30 days from the date of such action or 15 days from the date the Attorney General learned of the action to make such an application. The court is then required to enter any necessary orders to allow the Attorney General to appear and be heard. The court must set aside the action in question upon a showing it was entered in violation of this section.

The Attorney General has 21 days from the date of any notice required by this section to appear or intervene, and if the Attorney General does appear or intervene, the Attorney General shall be given such reasonable additional time to be fully heard as the court may order.

The bill states the new section shall not be construed to require the Attorney General to appear or intervene in any action, and the section does not apply in any action or proceeding in which the Attorney General is the party disputing or defending the validity of the statute or constitutional provision.

The bill amends the rule of civil procedure governing intervention to require a court to permit intervention by the Attorney General when notice to the Attorney General is required by the new section.

Finally, the bill amends the statute governing parties in an action for a declaratory judgment to require that notice and opportunity to be heard in accordance with the new section be given to the Attorney General if a statute, ordinance, or franchise is alleged to be unconstitutional.

Criminal Justice Information System; Electronically Stored Information; Hearsay Evidence Exception—Official Record or Absence of Record; SB 362

SB 362 amends law relating to the Kansas Criminal Justice Information System (KCJIS). The bill allows the Kansas Bureau of Investigation to enter into agreements with state agencies and municipalities to share and authenticate electronically stored information to the KCJIS central repository. The definition of "criminal justice information system" is amended to incorporate such electronically stored information, and a definition for "electronically stored information" is added.

The bill also includes KCJIS central repository records within the hearsay evidence exception for content of official records or absence of records.

Judicial Branch Non-Severability Repeal; HB 2449

HB 2449 repeals the non-severability provisions of 2015 HB 2005 and enacts a severability clause declaring that, if any provision of HB 2005 is held invalid or unconstitutional, then the remainder of the provisions of HB 2005 shall remain in effect.

Reports of Missing Persons; SB 376

SB 376 amends law setting forth the duties of law enforcement agencies relating to reports of missing persons to require an agency to enter such reports into the National Crime Information Center (NCIC) and Kansas Bureau of Investigation (KBI) missing person systems within two hours of receiving the minimum data required to make such an entry, replacing a requirement to make such entry "as soon as practical."

The bill clarifies that this time limit does not apply when an agency determines a missing person is a high-risk missing person. Continuing law requires an agency to immediately make such determination known to the KBI missing person system, and the bill clarifies that an agency is to separately cause the information to be entered into the NCIC missing person system as soon as possible after the minimum information to make such entry is received.

The bill takes effect upon publication in the *Kansas Register.*

Law Enforcement Assistance from Foreign Jurisdictions; HB 2549

HB 2549 creates new law allowing the chief law enforcement executive of any law enforcement agency, or the executive's designee, to request assistance from a law enforcement agency located outside the State of Kansas, but within the United States. A law enforcement officer making an arrest or apprehension outside of his or her jurisdiction is required to deliver the offender to the first available officer from the appropriate jurisdiction. The officer making the initial arrest or apprehension also is required to assist in the preparation of affidavits to establish probable cause that the person apprehended committed a crime.

All members of any locality or public safety agency responding to a request for assistance from another jurisdiction are deemed employees of the responding locality or public safety agency for liability purposes and are subject to the liability and workers' compensation provisions provided to them as employees of their own jurisdiction. Qualified immunity, sovereign immunity, official immunity, and the public duty rule, as interpreted by the federal and state courts of the responding jurisdiction, apply to situations arising under the provisions of bill. The bill requires that the Kansas Tort Claims Act and the Kansas Workers Compensation Act be interpreted consistently with the provisions of the bill.

The bill cannot be construed to limit the actions of law enforcement officers or agencies under current law, which allows officers or agencies to enter into agreements with bordering states' law enforcement entities for the enforcement of controlled substances laws or for the prevention, detection, or investigation of terroristic activity.

Law enforcement officers or agencies outside of Kansas are required to make arrests and use force in accordance with Kansas law.

The bill takes effect upon publication in the *Kansas Register.*

Revisions to Real Estate Licensure; SB 352

SB 352 amends law related to real estate licensure, allowing non-resident real estate brokers to apply for a Kansas real estate salesperson's license. Prior law only allowed non-resident real estate brokers to apply for a Kansas real estate broker's license.

The bill also repeals an obsolete statute related to the designation of the Director of the Kansas Real Estate Commission as the agent for a non-resident licensee for purposes of service of process.

Early Access to CPA Exams; HB 2512

HB 2512 provides an option for an individual to take the certified public accountancy (CPA) examination within 60 days prior to meeting the existing statutory education requirements if the person expects to meet the requirements. Applicants have 120 days after taking the first section of the examination to file official transcripts with either the Board of Accountancy or the testing service administering the examination. An applicant's grades for all sections of the examination may become void, subject to notice and opportunity for a hearing pursuant to the Kansas Administrative Procedure Act, if transcripts and other information are not received by the Board or testing service within 120 days. Under previous law, applicants were required to complete their educational requirements and graduate prior to taking the CPA examination.

CPA Licensure; HB 2536

HB 2536 clarifies the practice of certified public accountants (CPAs) and revises the law to reflect changes in the profession. The bill clarifies the Board of Accountancy (Board) has the discretionary authority to deny an application for a permit. The Board may issue a CPA certificate to a nonresident if the applicant passes the required examination and meets one of the three following requirements:

- The applicant meets all current requirements in Kansas;
- The applicant, when issued a certificate in another state, would have been able to meet Kansas requirements in effect at the time the other state certificate was issued; or
- The applicant has four years of licensed experience, as described by law.

Under previous law, a nonresident CPA was required to pass the examination and meet all three of the above requirements.

LOCAL GOVERNMENT

Municipalities; Thresholds Triggering Certain Accounting Requirements; SB 247

SB 247 increases thresholds that trigger certain requirements related to municipal accounting and changes certain related requirements, as follows.

- Prior law stated the governing body of any municipality with aggregate annual gross receipts of less than $275,000, and does not operate a utility, is not required to maintain fixed asset records. The bill increases this amount to $500,000.

- The bill changes the dollar amount above which an annual audit is triggered. The governing body of any municipality either having aggregate annual gross receipts of $500,000 (increased from $275,000 except for recreation commissions, for which the amount is $150,000) or general obligation or revenue bonds outstanding in excess of $500,000 (increased from $275,000) must receive an audit at least once annually.

- For those municipalities, except for unified school districts (for which annual audits are required), for which either annual gross receipts or general obligation or revenue bond outstanding debt is in excess of $275,000 but not more than $500,000, the bill adds a requirement that the municipality have its accounts examined by a licensed certified public accountant or accountants using agreed-upon procedures at least once each year, and by using enhanced agreed-upon procedures at least once every three years.

- The bill adds a requirement that a copy of each report resulting from a municipal account review be filed electronically with the Secretary of Administration within one year of the end of the municipality's fiscal year for which the review is performed, unless the Secretary grants an extension. The bill states the municipality is not required to submit the report to any other State agency, office, or official. Final payment to the accountant(s) performing an examination using agreed-upon procedures is prohibited until the report has been filed as required.

- The bill makes clarifying and conforming changes.

The provisions revised are contained in KSA 75-1117 *et seq*., related to the Municipal Accounting Board. In that act, "municipality" is defined as "county, township, city, municipal university, unified school district, library district, improvement district, drainage district, cemetery district, industrial district, irrigation district, park and recreation district, conservation district, extension council, airport or building authority, fire district, lighting district, park district, sewer district, watershed district, community junior college, groundwater management district, rural water district, zoning board, municipal energy agency or intergovernmental or joint agency, including all boards, commissions, committees, bureaus and departments of such municipalities charged with the management or administration of recreation activities, parks, hospitals, libraries, cemeteries, pensions, public improvements or any other public activities maintained or subsidized with public funds and any municipally owned or operated utility, firemen's relief association, or public or quasi-public corporation entitled to receive and hold public moneys pursuant to any provision of state law authorizing such public or quasi-public corporation to collect or receive such public moneys."

Adjoining City's Inclusion in Fire District; HB 2438

HB 2438 changes law related to fire districts created under KSA 19-3601 *et seq*. The bill allows all or part of any city adjoining the boundaries of any fire district proposed or organized under this act to be included within the fire district. Current law allows only a city lying within a fire district's boundaries to be included. Under continuing law, the city governing body is required to publish a notice in the official city newspaper at least 20 days prior to a regular meeting of the city governing body's intent to petition the board of county commissioners that all or part of the city be included in any proposed or organized fire district in the county and of a hearing on the proposal at the meeting. The bill also makes technical and conforming changes to existing statutory language. The bill takes effect upon publication in the *Kansas Register*.

STATE FINANCES

State Budget; House Sub. for SB 161

House Sub. for SB 161 includes funding for FY 2016, FY 2017, and FY 2018 supplemental expenditures for most state agencies and FY 2016 and FY 2017 capital improvements for selected state agencies.

FY 2016

The approved FY 2016 budget totals $15.6 billion, including $6.3 billion from the State General Fund. The approved budget increases the Governor's recommended expenditures by $3.8 million, including $3.2 million from the State General Fund in FY 2016. The increase is primarily due to a $2.0 million State General Fund addition to the Osawatomie State Hospital to address recertification and understaffing and a $1.0 million State General Fund increase to Larned State Hospital to address understaffing issues. Other adjustments to the Governor's recommendations include:

- Added language allowing the Governor to have enhanced allotment authority in FY 2016 if the State General Fund ending balance is projected to fall below $100.0 million. The enhanced authority allows the Governor to reduce State General Fund expenditures in the Executive Branch in an amount necessary to bring the State General Fund ending balance to $100.0 million;

- Added language allowing the reduction of employer contributions to KPERS in FY 2016 and requiring repayment by September 30, 2016, with 8.0 percent interest;

- Added language prohibiting the approval of STAR bonds in Wyandotte County for FY 2016. If legislation is enacted during the 2016 Session which provides for STAR bond reform including the nine criteria listed in the Legislative Post Audit review, then this proviso will be null and void (This provision was vetoed by the Governor. The veto was sustained on March 23, 2016.);

- Deleted language prohibiting the Department of Revenue from expending any funds to mail motor vehicle registration applications for FY 2016; and

- Added language prohibiting privatization of Osawatomie State Hospital and Larned State Hospital in FY 2016 without specific authorization by the Legislature.

FY 2017

The approved FY 2017 budget totals $16.1 billion, including $6.3 billion from the State General Fund. The approved budget decreases the Governor's recommended expenditures by $35.8 million, including $69.4 million from the State General Fund in FY 2017. The all funds decrease is primarily due to the elimination of the KPERS death and disability employer contributions which results in a decrease of $39.5 million, including $30.4 million from the State General Fund. The remainder of the State General Fund reduction is mainly in the restoration of

Children's Initiatives Fund expenditures that the Governor had recommended to be funded instead from the State General Fund. The Governor also recommended transferring funding from the Children's Initiative Fund to the State General Fund that the Conference Committee reversed. The net effect of these recommended changes reduces both State General Fund expenditures and State General Fund revenues and increases special revenue fund expenditures and revenue by the same amount. Other adjustments to the Governors recommendations include:

- Added $2.5 million from the State General Fund to fund a 2.5 percent salary increase in Corrections for adult and juvenile corrections officers;

- Added language allowing the Governor to have enhanced allotment authority in FY 2017 if the State General Fund ending balance is projected to fall below $100.0 million. The enhanced authority allows the Governor to reduce State General Fund expenditures or transfer money from special revenue funds into the State General Fund in the Executive Branch in an amount necessary to bring the State General ending balance to $100.0 million;

- Added language prohibiting the approval of STAR bonds in Wyandotte County for FY 2017. If legislation is enacted that will provide for STAR bond reform, including the nine criteria listed in the Legislative Post Audit review, then this *proviso* will be null and void (This provision was vetoed by the Governor. The veto was sustained on March 23, 2016.);

- Deleted $562,000 from special revenue funds and language prohibiting the Department of Revenue from expending any funds to mail motor vehicle registration applications for FY 2017;

- Added $378,000 from the State General Fund for Safety Net Clinics in the Department of Health and Environment for FY 2017;

- Deleted $292,251 from special revenue funds in the Department of Agriculture to reestablish the Board of Veterinary Examiners as a separate agency;

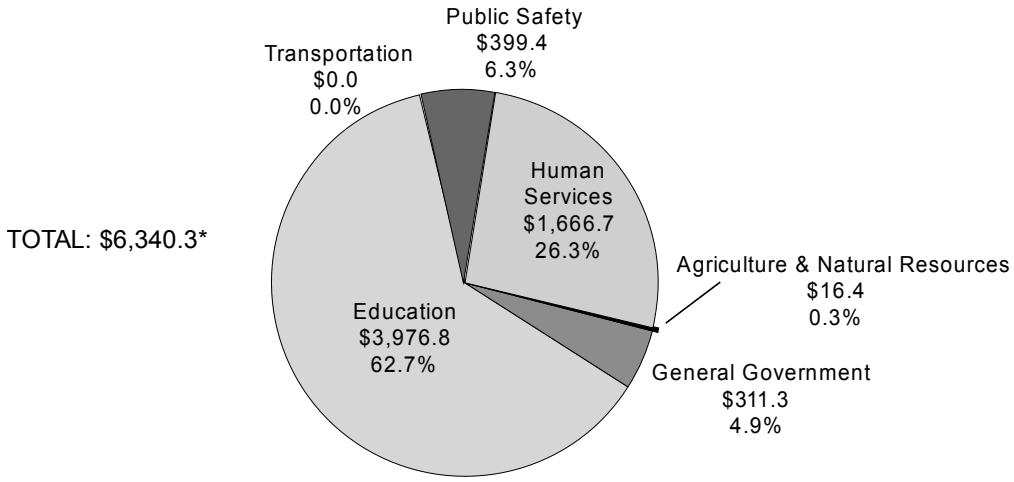
- Added language preventing the Governor from making reductions to KPERS employer contributions for FY 2017;

- Added language limiting State General Fund debt service to no more than 4.0 percent of the average State General Fund Revenue for the previous three years. Language also was added to bar any debt obligations in excess of $5.0 million if issued using any entity other than the Kansas Development Finance Authority for FY 2017;

- Added language to set a 19.0 percent debt service limitation on the State Highway Fund for FY 2017; and

- Added language prohibiting privatization of Osawatomie State Hospital and Larned State Hospital in FY 2017 without specific authorization by the Legislature.

FY 2017 Approved State General Fund Budget
by Function of Government
(Dollars in Millions)



* NOTE: Total state expenditures do not include $30.4 million in statewide KPERS Death and Disability payment savings.

Halting Docking Demolition and Energy Service Center Construction; SB 250

SB 250 removes the requirement the Secretary of Administration provide a monthly progress report to the Joint Committee on State Building Construction regarding progress on existing projects.

Additionally, the bill bars any agency from expending funds to demolish the Docking State Office Building (Docking) or to reconstruct, relocate, or renovate the power plant or Energy Service Center. The bill further bars any agency from selling, leasing, transferring, or otherwise conveying the land on which Docking is located for FY 2016 and FY 2017.

The bill appropriates a new special revenue fund within the Department of Administration to make payments to the Kansas Development Finance Authority and the McCarthy Building Companies to terminate the lease agreement and the construction contract. The bill grants authority to the Secretary of Administration to transfer from the State General Fund or any special revenue fund in which the proceeds of the lease agreement are deposited the amount necessary to effectuate these terminations. The transfer of funds is contingent upon the receipt of a written release stating the transfer satisfied all claims against the State.

The bill repeals the portions of the 2015 appropriations bill that authorized the Department of Administration to demolish Docking and build the new Energy Service Center and sets the expenditure authority from the Docking State Office Building Rehab, Repair and Razing Fund to zero. (This veto was sustained.)

Cowley County, Official Stone Bridge Capital; SB 278

SB 278 designates Cowley County as the official "Stone Bridge Capital" of Kansas.

Kansas State University Polytechnic Campus; SB 423

SB 423 changes the name of Kansas State University - Salina, College of Technology to Kansas State University Polytechnic Campus in statutes including the name of that institution.

Fireworks and Fire Extinguisher Industry Fees; SB 459

SB 459 repeals the authority of the State Fire Marshal to charge certification, licensing, permitting, and inspection fees to the fireworks and fire extinguisher industries in Kansas.

Distribution of Information Technology Security Audit Reports; HB 2442

HB 2442 amends provisions in the Legislative Post Audit Act governing distribution of information technology audits conducted by the Legislative Division of Post Audit.

The bill requires the completed reports be furnished to both the controlling officer or body and the chief information technology officer of the branch of government in which the entity being audited is located.

The bill does not change existing provisions that require distribution to the entity being audited, the Legislative Post Audit Committee, the Joint Committee on Information Technology, and other persons as required by law or by specifications of the audit, or as directed by the Legislative Post Audit Committee.

Memorial Signs for DUI Crash Victims; House Sub. for SB 245

House Sub. for SB 245 requires the Secretary of Transportation (Secretary) to establish and implement a DUI memorial signage program, on highways under the Secretary's jurisdiction that are not city connecting links. The bill requires the Secretary to design a memorial sign indicating the names and ages of victims killed in an accident in which the driver of the other vehicle was under the influence of alcohol or drugs, the date of the accident, and other information as determined by the Secretary. The bill also requires the Secretary to design a logo, to be copyrighted, for use in public service announcements or programs to increase awareness of the dangers of driving under the influence of drugs or alcohol (DUI).

The bill requires the application for such a sign include the date of the accident, the names and ages of the victims, and other information required by the Secretary. An application for a memorial sign can be filed by an immediate family member (defined in the bill to mean father, mother, child, sibling, grandparent, grandchild, or spouse). Also, if an immediate family member requests denial of the application or removal of the sign, the bill requires the application be denied or the sign removed.

Upon confirmation that the driver of the other vehicle was under the influence of drugs or alcohol and that the driver of the vehicle the victim was in was not in violation of any Kansas law that was the cause of the accident, the bill requires the Secretary to place a memorial sign along the highway right-of-way reasonably near to the location of the accident. Such a sign can not be placed until the Secretary has received sufficient moneys from gifts and donations to cover the cost of placing the sign plus an additional 50 percent of the initial cost to defray future maintenance or replacement costs. The bill authorizes the Secretary to require a maintenance and renewal fee for such a sign every 10 years after the sign was first placed and to remove any sign for which the maintenance and renewal fee was charged but remained unpaid past 90 days of the renewal fee request.

The bill authorizes the Secretary to adopt rules and regulations to implement the provisions.

The bill names the section created by the bill the Kyle Thornburg and Kylie Jobe Believe Act.

Hazmat Endorsement Exemption for Custom Harvester Employees; SB 349

SB 349 exempts a person holding a commercial class A driver's license and acting within the scope of the person's employment as an employee of a custom harvester operation to operate a service vehicle transporting 1,000 gallons or less of diesel from obtaining a hazardous materials endorsement for that driver's license. The vehicle must be clearly marked with a "flammable" or "combustible" placard, as appropriate. The law has limited transportation of diesel fuel to 119 gallons in a tank without the driver having a hazardous materials endorsement.

The bill takes effect upon publication in the *Kansas Register.*

Reinstatement of Eligibility for Resident Tuition; HB 2567

HB 2567 reinstates eligibility for resident tuition rates at postsecondary institutions previously granted by the Legislature to certain military veterans and their families. This eligibility was inadvertently eliminated in 2015 HB 2154, legislation that brought Kansas into compliance with the federal Choice Act.

The explicit criteria in the bill provide resident tuition to those veterans and individuals who were inadvertently removed from coverage by 2015 HB 2154. Specifically, the veteran must have been permanently stationed in Kansas during service in the armed forces or have established residency in Kansas prior to service in the armed forces. In addition, the veteran or the veteran's spouse or dependent must live in Kansas at the time of enrollment.

The bill also provides reimbursement to any person enrolled in a Kansas postsecondary educational institution in the 2015-2016 school year who would have been entitled to resident tuition and fee rates if the eligibility criteria in this bill had been in effect during the 2015-2016 school year. The reimbursement is equal to the difference between any tuition and fee rates the person paid and the resident tuition and fee rates.

NUMERICAL INDEX OF BILLS
House Bills and Resolutions

NUMERICAL INDEX OF BILLS
Senate Bills and Resolutions