FOULSTON
ATTORNEYS AT LAW

NEWSLETTERS

KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | APRIL 6, 2018

A UNIQUE WEEK

The week before first adjournment is normally one of the most hectic weeks of the session with legislators rushing to complete work on dozens of bills and conference committee reports. The daily House and Senate journals bulge with the recorded votes on each of the many bills. Yesterday the House Journal consisted of one page. Why the sudden drought of bill considerations? It can be explained in two words – school finance.

The week started with the Senate Republican leaders warning the House there would be no consideration of any legislation in the Senate until the House approved a constitutional amendment proposal that would bar the Kansas Supreme Court from any involvement in the appropriation of state funds for public schools. The House leadership does not plan to debate the proposed amendment (**HCR 5029**) today. The House did, however, pass on Tuesday, by a vote of 71-53, their version of a school finance bill (**HB 2445**) that would pump $525 million additional dollars into their school finance formula over the next five years.

The Senate then backed away from their threat to stop all bill consideration until the proposed constitutional amendment was approved and proceeded to pass (21-18) on Thursday their version of a school finance plan (**SB 423**) that would appropriate only $275 million new dollars over a five-year period. As always there are, besides the big dollar differences between the two bills, many moving parts to the complex school finance formulas under consideration, so there will be a six-person House/Senate conference committee that will try to reconcile all these differences between **HB 2445** and **SB 423**.

Time now becomes a key factor in the process. Legislators were scheduled to leave town for three weeks starting tonight, but last fall the Supreme Court ordered last fall that legislators should have a plan to present to them by April 30, and Governor Colyer said this week that legislators should have a bill for him to sign before they leave town. This could mean legislators will stay here and work over the weekend or even into next week in the hope of producing a final school finance bill that can be agreed on in conference committee and then passed by both houses. Or, they may decide to leave later today and return a week early in late April. Right now they are scheduled to return on Thursday, April 26.

BILL SUMMARIES

FOULSTON
ATTORNEYS AT LAW

Listed below are selected bills that were considered in the House or Senate, as well as selected bills signed by Governor Colyer. Additional information on any of these bills can be accessed by clicking on the bill number.

AGRIBUSINESS

HB 2470 – Now also contains the provisions of **HB 2476** and **HB 2482**. Allows a microbrewery to contract with one or more microbreweries to manufacture and transfer beer or hard cider for the microbreweries. This can be done on both an intrastate and interstate basis. Such manufacturing must stay within the current gallonage and barrel aggregate limits set for microbreweries. Amends the alcoholic beverage statutes to include a definition of "alcoholic candy" as any candy or other confectionary product with an alcohol content greater than 0.5% alcohol by volume. Must have a liquor license to sell such candy. Also allows a microbrewery licensee to sell – for consumption off the licensed premises – beer manufactured by the licensee and placed in containers of a specified size. Identification labels are required on the containers. Also amends the period of time when the sale of alcoholic liquor is prohibited in any public venue, club, or drinking establishment to be from 2:00 a.m. to 6:00 a.m. Currently, that period is from 2:00 a.m. to 9:00 a.m. Also allows farm wineries, microbreweries, and micro-distilleries to sell between 6:00 a.m. and midnight on any day. (*Currently in a House/Senate conference committee*)

ENERGY AND NATURAL RESOURCES

SB 279 – Makes numerous definitional changes to the Gas Safety Reliability Policy Act and allows natural gas public utilities to recover costs for specified infrastructure system investments. Also raises the cap on the monthly gas safety reliability surcharges (GSRS) for residential customers. (***Signed by the Governor. Becomes effective on Jan. 1,2019***)

HEALTH CARE

SB 428 – Would amend K.S.A. 65-527 concerning child care programs serving school-age children and youth, including drop-in programs. We reported on a more expansive bill, SB 305 (which also addressed drop-in programs), in our Jan. 26, 2018, issue. SB 305 has not moved forward, perhaps due to anticipated costs. SB 428 is more narrow and essentially clarifies that a facility (often a recreation center) will qualify for drop-in program licensure even if there are environmental deficiencies posing no imminent risk to children or youth. (***Signed by the Governor. Becomes effective on July 1, 2018***)

HB 2457 – The bill was introduced by the House Committee on Judiciary at the request of the Kansas Chamber, and we reported on it in our Jan. 12, 2018, issue. The bill, as amended by the House Committee, would enact the Asbestos Trust Claims Transparency Act, which would apply to all asbestos claims (as defined in the Silica and Asbestos Claims Act) filed on or after July 1, 2018. The bill would require the plaintiff to provide certain statements and materials no later than 30 days prior to the date the court establishes for the completion of all fact discovery. (***Signed by the Governor. Becomes effective on July 1, 2018***)

HB 2501 – Would create in the State Treasury the Health Occupations Credentialing Fee Fund (Fee Fund) to be administered by the Secretary for Aging and Disability Services. Fees collected under provisions of the Adult Care Home Licensure Act, Dietitians Licensing Act, Operator Registration Act, and the act regulating speech-language pathologists and audiologists would be deposited into the Fee Fund instead of the State General Fund (SGF). KDADS has testified in support of the bill, stating the dedicated Fee Fund would provide additional revenue for additional employees to meet current and future work requirements, for modernization, and for operations. (***Signed by the Governor. Becomes effective on July 1, 2018***)

HB 2590 – As amended, would revise the laws related to the State Long-Term Care Ombudsman and the State Long-Term Ombudsman Program. We reported on the bill in our March 2, 2018, issue. The bill would update the Kansas Long-Term Care Ombudsman Act and align Kansas statutes with federal law and regulation. Opponents of the legislation have expressed concerns about volunteer ombudsman having broad access to facility records.

Given the concerns expressed, the House Committee amended the bill to remove certain language related to volunteer ombudsman; clarify the records, policies, and documents an ombudsman or volunteer ombudsman would have access to; and make technical corrections. (***Signed by the Governor. Becomes effective on July 1, 2018***)

INSURANCE

SB 410 – Would create the Captive Insurance Act under the Insurance Code by amending existing law related to captive insurance companies. This bill, as amended, represents major and needed modernization of Kansas insurance law. A captive is an insurance company created and wholly owned by one or more non-insurance companies and designed to insure the risks of its owner or owners. The bill would create two new captive insurance types – branch captive insurance companies and special purpose insurance captives. The bill would specify the regulatory structure for each. The bill was introduced in the Senate, and we first reported on the measure in our February 9, 2018, issue. The Senate Committee on Financial Institutions and Insurance amended the bill and it passed the Senate 38-0. (*Awaiting action by the Governor*)

STATE GOVERNMENT

SB 394 – Extends the lobbying requirements currently applying only to the legislative branch of state government to also the executive and judicial branches. Specifies circumstances when the lobbying requirements would not apply to executive or judicial situations. Retains gift limitations by lobbyists and increases meal limitations for executive branch employees. (*Passed the Senate on a vote of 40-0. Awaiting action by the Governor*)

HCR 5029 – A constitutional amendment stating that the Legislature, "shall make suitable provision for finance of the educational interests of the state. . . Such provision is suitable if it is adequate and equitable . . . The power to establish and the jurisdiction to resolve all questions regarding the adequacy of such provision shall be exclusively within the legislative power of the state." If adopted by a 2/3 vote in both the House and Senate, the amendment would be placed on the general election ballot in November or on a special election ballot if such special election occurs before November. (Forwarded without recommendation to the full House by the House Committee on Judiciary, Rep. Blaine Finch, Chair)

HB 2539 – Starting in 2019, it would require candidates for Governor and Lt. Governor to be 30 years of age or older "at the time of becoming a candidate." Also requires candidates for Secretary of State, Attorney General, State Treasurer, and Insurance Commissioner to be a "qualified elector" (18 years or older) when filing for any of these offices. Would also require candidates for Attorney General to be licensed to practice law in Kansas. *(Passed by the Senate on a vote of 29-9. Awaiting action by the House)*

TAXES

HB 2753 – Requires the Commissioner of Insurance, the Secretary of Commerce, and the Secretary of Revenue to make annual reports to the Legislature concerning specified tax credits, economic development programs, and state tax exemptions. (*Passed by the House on a vote of 123-0. Referred to the Senate Committee on Assessment and Taxation, Sen. Caryn Tyson, Chair*)

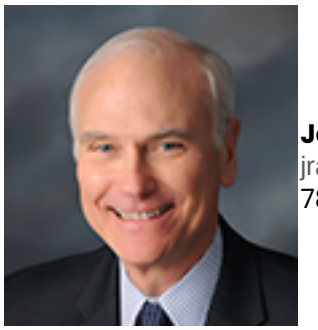
Kansas Legislative Insights is a publication developed by the Governmental Relations & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session, it focuses on issues involving health care, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston

FOULSTON
ATTORNEYS AT LAW

Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

KANSAS LEGISLATIVE INSIGHTS EDITORS

Jim Maag
jmaag1@cox.net
785.806.3472



James P. Rankin
jrankin@foulston.com | View Bio
785.233.3600

Jim Maag and James P. "Jim" Rankin are co-editors of Foulston Siefkin's Kansas Legislative Insights. Jim Maag, a non-lawyer Governmental Affairs Consultant to Foulston Siefkin's Governmental Relations & Public Policy Practice Group, provides legislative monitoring and lobbying services for our governmental relations clients. Mr. Maag has had a distinguished career in governmental matters and banking, most recently serving as President of the Kansas Bankers Association. He has been involved in the Kansas legislative process for more than four decades as a legislator, administrator or lobbyist. As a partner at Foulston Siefkin, Mr. Rankin's practice focuses on employee benefits law relating to public, private, governmental, and tax-exempt organizations. A large part of his work involves insurance regulatory and compliance issues in many industries, including health care. Mr. Rankin has been selected by peers for inclusion in *The Best Lawyers in America*® and the Missouri & Kansas *Super Lawyers*® list. He is the firm's representative with State Law Resources, Inc., a national network of independent law firms selected for their expertise in administrative, regulatory, and government relations at the state and federal level.

This update has been prepared by Foulston Siefkin LLP for informational purposes only. It is not a legal opinion; it does not provide legal advice for any purpose; and it neither creates nor constitutes evidence of an attorney-client relationship.

PRACTICE AREAS

- Governmental Affairs & Public Policy Law