



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JANUARY 22, 2021

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SECOND WEEK

With the Martin Luther King, Jr. holiday and the lockdown of the Capitol Complex due to security concerns, legislative activity this week was relatively light. The committees, which did meet, met virtually. Legislative leaders are concentrating on necessary COVID legislation, the Value Them Both constitutional amendment regarding abortion, tax policy, and other priority issues unresolved from the pandemic-shortened 2020 session.

The House of Representatives debated legislation for the first time this session regarding the COVID safety measures mentioned in last week's Kansas Legislative Insights. Both chambers are meeting once or twice a week for debate to limit the amount of time and number of members on the floor. Other daily sessions are on a pro forma basis for entering and referring bills, along with messages from the governor, Senate, and other officials.

The reconfiguration of the House chamber for social distancing was the source of debate, and there are several amendments on Thursday's debate on adopting the House Rules. The House galleries are now closed to visitors. Forty-five members are seated in the east gallery and eight members are seated in the west gallery. Reporters are no longer allowed on the floor. One pool video reporter is stationed at the back of the chamber.

During the debate on House rules, one amendment proposed to eliminate the Speaker of the House's authority to regulate the health and safety of the chamber. Several members supporting the amendment expressed concerns about the number of steps in the galleries, inability to be heard on voice votes, and difficulty in hearing debate in the gallery. The motion failed 9 to 105. The vote was taken using newly instituted laptop voting. A motion to require masks on the House floor was rejected 46 to 75. The only amendment adopted allows the Majority and Minority Whips to communicate electronically with members of their caucus on the floor. The House Rules were ultimately adopted 110 to 12.

On Thursday, the Kansas House of Representatives approved Senate Bill 14, extending most of the governor's COVID measures until March by a margin of 119 to 3. The existing Emergency Orders were due to expire next week. On Friday, the Kansas House debated and passed the Value Them Both constitutional amendment with a

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veto proof majority of 86 to 38.

In the Senate on Thursday, by vote of 18 to 17, Gov. Laura Kelly's nomination of Carl Folsom to the Kansas Court of Appeals was rejected for a second time. The Senate approved Gov. Kelly's nomination of Wichita's Amy Cline to fill the other Kansas Court of Appeals vacancy.

COMMITTEE HEARINGS

On Tuesday, the Senate and House Health Committees met jointly for a briefing by the Kansas Department of Health and Environment. Legislators posed questions to Secretary Dr. Lee Norman regarding the vaccine rollout.

On Tuesday, the House Commerce, Labor, and Economic Development Committee heard HB 2066, which expands the military spouse and service member's expedited licensure law to all applicants who have established or intend to establish residency in Kansas. The bill would also provide for the practice of telemedicine by out-of-state physicians to be permitted the issuance of temporary licenses in emergencies and the use of electronic credentials.

This week, the House Commerce Committee heard updates from the Kansas Department of Labor. More than \$2.6 billion has been paid since last March in weekly unemployment claims (3.8 million claims), which is more than the total of the previous eight years of paid benefits. The Kansas unemployment rate peaked in April at 11.9%.

Legislators inquired about potential unemployment fraud and the financial solvency of the Unemployment Trust Fund. Labor officials acknowledged that taxes may have to be increased for adequate funding.

BILL INTRODUCTIONS

INSURANCE

SB 29 – Would update the definition of risk-based capital instructions to be those instructions promulgated by the National Association of Insurance Commissioners (NAIC) that are in effect on Dec. 31, 2020, or after. Risk-based capital refers to a uniform method of measuring the minimum amount of capital carried by an insurance company acceptable to insurance regulators. Referred to the Senate Committee on Insurance, Sen. Jeff Longbine, Chair. A hearing is scheduled for this matter on Jan. 26, 2021.

HB 2074 – Would tighten rules for licensing and regulation of insurance agents. Among other things, the bill would require a resident agent and business entity to submit a renewal application to the Kansas Insurance Commissioner and pay a biennial renewal application fee of \$4. The bill would change the definition of biennial due date to the last day of the birth month of an agent and the last day of the month of the initial licensure for a business. The bill would require certain producers to biennially obtain a minimum of 18 continuing education credit hours that would include at least three hours of insurance ethics. Under the current law, an insurance company can appoint agents individually, or they can appoint an agency which automatically appoints the affiliated agents. HB 2074 would remove the automatic appointment of affiliated agents for companies. Each producer or entity would be required to report to the Commissioner within 30 days of any name or demographic changes, disciplinary actions or violations of insurance laws, criminal convictions, or termination of a business relationship. Referred to the House Committee on Insurance and Pensions, Rep. Steven Johnson, Chair.

HB 2073 – Would create the Kristi L. Bennett Mental Health Parity Act, which would require health insurers to expand coverage for treatment of mental illness and substance abuse disorder. For patients who have substance abuse disorder, are afflicted with suicidal ideation, or are actively suicidal, the bill would require health insurers to provide coverage without the imposition of prior authorization, concurrent review, retrospective review, or other forms of utilization review for the first 14 days of medically necessary inpatient and 180 days of medically necessary outpatient treatment and services provided in-network. Referred to the House Committee on Insurance and Pensions, Rep. Steven Johnson, Chair.

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SB 30 – Would establish a victim restitution fund for claimants who are awarded restitution in a dispute over a securities transaction. Referred to the Senate Committee on Insurance, Sen. Jeff Longbine, Chair. A hearing is scheduled for this matter on Jan. 26, 2021.

SB 28 – Would update Kansas law in accordance with NAIC model laws on credit for reinsurance. Referred to the Senate Committee on Insurance, Sen. Jeff Longbine, Chair.

HEALTHCARE

HB 2048 – Would amend certain statutory provisions related to the governmental response to the COVID-19 pandemic in Kansas and would, among other things: (a) provide certain relief related to health, welfare, property, and economic security during this public health emergency; (b) limit and restrict certain powers of the governor and executive officers; (c) place limitations on business liability associated with the COVID-19 public health emergency; and (d) extend the governor's declaration of a State of Emergency to Mar. 5, 2021, and clarify and limit the governor's authority in such circumstances. Referred to the House Committee on Judiciary, Rep. Fred Patton, chair. On Jan. 19, the Committee amended and recommended passage of the same.

COURTS, LAWS, AND REGULATIONS

HB 2075 – Would amend the Probate Code to add as an additional place of venue for agency adoptions, the place where the department or subcontracting agency has an office. Referred to the House Committee on Judiciary, Rep. Fred Patton, chair, A hearing is scheduled for this matter on Jan. 28, 2021.

HB 2079 – Would amend KSA 75-451 through KSA 75-458 to transfer from the Secretary of State to the attorney general the duties and responsibility of providing victims of domestic violence address confidentiality. Referred to the House Committee on Judiciary, Rep. Fred Patton, chair. A hearing is scheduled for this matter on Jan. 25, 2021.

HB 2080 – Would enact new sections to create a charitable organizations fee fund and amend sections of the Charitable Organizations and Solicitations Act to transfer certain duties and functions from the secretary of state to the attorney general. Referred to the House Committee on Judiciary, Rep. Fred Patton, chair A hearing is scheduled for this matter on Jan. 25, 2021.

SB 34 – Would provide that any rule or regulation promulgated pursuant to KSA 77-415 and existing on July 1, 2021, will automatically expire on July 1, 2026, (five years) and that any rule created thereafter will expire on July 1 the fifth year after the rule or regulation is enacted. Referred to the Senate Committee on Federal and State Affairs, Sen. Larry Alley, chair. A hearing is scheduled for this matter on Jan. 26, 2021.

ELECTIONS

SB 35 – Would amend KSA 2020 Supp. 25-1132 related to regulation of advanced voting, and eliminates the authority of the secretary of state to extend the deadline for receipt of additional ballots. Referred to the Senate Committee on Federal and State Affairs, Sen. Larry Alley, chair. A hearing is scheduled for this matter on Jan. 26, 2021.

TRANSPORTATION

SB 36 – Would amend KSA 2020 Supp. 8-116a and 8-198 concerning salvage vehicles to allow employees of salvage vehicle pools to perform vehicle identification number inspection and allow salvage vehicle pools and dealers to apply for ownership documents. Referred to the Senate Committee on Transportation, Sen. Mike Peterson, chair. A hearing is scheduled for this matter on Jan. 25, 2021.

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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 healthcare, 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 Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com. Learn more about the authors below:

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As a partner at Foulston Siefkin, Eddie represents clients in matters before state regulatory commissions, courts, and local governmental bodies. He has built and maintained relationships with key individuals – including lobbyists, elected and appointed officials, and staff members – that prove valuable in advancing clients' interests and issues. Drawing on his experience as a regional governmental affairs attorney for AT&T in Chicago, he helps clients navigate the maze of federal policies and agencies, advises on how processes work in Washington, and provides introductions to those who can help them accomplish their goals.

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