



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JANUARY 24, 2020

The second week of the 2020 session will be remembered for the initial deliberations addressing two major issues on the legislative agenda: abortion and Medicaid expansion. On Tuesday, the Senate Judiciary Committee and House Federal and State Affairs Committee held a six-hour hearing on identical resolutions (House Concurrent Resolution 5019 and Senate Concurrent Resolution 1613). The resolutions are intended as a first move toward a Kansas Constitutional amendment allowing the Kansas Legislature to regulate abortions. The proposed Kansas Constitutional amendment was crafted to reverse *Hodes & Nauser, MDs v Schmidt*, an April Kansas Supreme Court opinion finding a right to abortion exists in the state constitution's 1861 Bill of Rights.

Wednesday, with the backdrop of the Rally for Life march to the Capitol, the House Federal Affairs Committee and the Senate Judiciary both passed their respective concurrent resolutions. The swift response to the Supreme Court's abortion decision demonstrated serious frustration felt by House and Senate Republicans with the Supreme Court's decision. If passed by two-thirds majorities in each House, only a simple majority vote by Kansas citizens would be needed in the August primary election to implement the amendment.

On Thursday, the Senate Public Health and Welfare Committee opened four days of hearings on Medicaid expansion (SB 252). More than 30 proponents submitted written testimony which was heard on Thursday and Friday. On Tuesday, Jan. 28, the Committee will be hearing from those who are neutral on the bill and Wednesday, Jan. 29, the hearings conclude with the opponents. One major issue is a potential work requirement for many beneficiaries of the expansion proposal.

Still on the Legislature's mind is the future of the Docking Office Building. Banks and credit unions sparred in the Senate Financial Institutions and Insurance Committee over SB 259, which would allow national banking associations, state banks, trust companies, and savings and loan associations to deduct the net interest income received from business loans and single-family residence loans from net income, if the interest is included in the Kansas taxable income of the banking corporation. Credit unions, as tax-exempt entities, oppose the proposal.

Also of interest this week, the House Republicans proposed a strong multi-point policy agenda for the 2020 session. A change in the Kansas income-tax exemption that would increase the amount Kansans on Social Security could earn from \$75,000 to \$100,000 (thus permitting older Kansans to earn more working income without paying more Kansas income tax). There is also a proposal aimed at attracting young medical professionals to rural

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areas by allowing substantial tax deductions for first-time home-buyer savings accounts, provided the savings are used to purchase first homes in the state's more rural counties.

BILL INTRODUCTIONS

TAXATION

SB 295 – Would prohibit property tax valuation increases solely as a result of normal repair and replacement or maintenance of an existing structure. Referred to the Senate Committee on Assessment and Taxation, Sen. Caryn Tyson, Chair.

SB 296 – Would prevent the resubmission of rejected substantially similar rezoning requests for a period of one year. Referred to the Senate Committee on Assessment and Taxation, Sen. Caryn Tyson, Chair.

SB 297 – Would require the Kansas Director of Property Valuation's appraisal directives to comply with the Uniform Standards of Professional Appraisal Practices (USPAP) in performing property tax appraisals. Referred to the Senate Committee on Assessment and Taxation, Sen. Caryn Tyson, Chair.

SB 298 – Would require counties to pay attorney fees and costs of prevailing taxpayers in property tax appeals where the county appraiser is found to have changed the taxpayer's property classification from the prior year without prior zoning change. Referred to the Senate Committee on Assessment and Taxation, Sen. Caryn Tyson, Chair.

SB 294 – Would require notice and a public hearing prior to affirmative action by a governmental body on exceeding its certified property tax rate. Referred to the Senate Committee on Assessment and Taxation, Sen. Caryn Tyson, Chair.

HB 2460 – Would provide for an income tax credit for expenditures paid or incurred for railroad tax maintenance during the taxable year. Would be applicable to taxable years 2020 through 2024. Referred to the Committee on Taxation, Rep. Steven Johnson, Chair.

INSURANCE

SB 290 – Would provide that the Securities Commission serves at the pleasure of the Insurance Commissioner. Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair.

SB 291 – Would, in relation to anti-fraud investigations, grant subpoena and investigative powers to the Commissioner of Insurance. Also, certain law enforcement duties would be granted to insurance investigators. SB 291 would further require special law enforcement training of investigators before carrying firearms. Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair.

SB 292 – Would provide the Insurance Commissioner with greater flexibility to access certain penalties applicable to property and casualty excess lines coverage. Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair.

HB 2459 – Entitled the Kristi L. Bennett Mental Health Parity Act. Amends K.S.A. 40-2,15 and 40-2,105a to update and change requirements for health insurers to provide coverage for the diagnosis and treatment of mental illness. Provides that treatment limitations for mental illness or substance abuse cannot be more limiting than those which apply to other covered services. Referred to the Committee on Insurance, Rep. Jene Vickrey, Chair.

HB 2478 – Would clarify and update certain definitions in the Third Party Administrator Act. Referred to the Committee on Insurance, Rep. Jene Vickrey, Chair.

HB 2479 – Would implement amendments to insurance holding company corporate governance rules and codify the corporate governance model regulation proposed by the National Association of Insurance Commissioners

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(NAIC). Basically, more detailed reporting of such structures will be required and the Kansas Insurance Commissioner will be required to analyze more aspects of insurance holding group governance. Referred to the Committee on Insurance, Rep. Jene Vickrey, Chair. A hearing has been scheduled for this on Jan. 29, 2020.

HEALTHCARE

SB 280 – Would require a hospital to notify certain governmental entities at least 90 days before permanently closing or ceasing operations. Referred to the Committee on Public Health and Welfare, Sen. Gene Suellentrop, Chair.

SB 281 – Cited as the Healthcare Price Disclosure Act. Requires healthcare facilities and healthcare professionals to provide a list of direct-pay prices for common services or diagnosis-related group codes, as applicable. Referred to the Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair. A hearing has been scheduled for this on Jan. 29, 2020.

SB 282 – Known as the Patient's-Right-to-Know Act. Requires a healthcare provider to provide an estimate of the charge of any healthcare service, test, procedure, or course of treatment which exceeds a threshold amount of \$500, as adjusted for inflation by the Department of Health and Environment, to any patient who requests such an estimate. Also establishes requirements for health insurers to provide information regarding coverage, pre-certification requirements, and estimated out-of-pocket-costs upon request. Referred to the Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair. A hearing has been scheduled for this on Jan. 29, 2020.

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

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