



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JANUARY 31, 2020

WEEK IN REVIEW

This legislative week was busy with Kansas Day celebrations, Senate floor debate on abortion, arguments over legalizing sports gambling, and the conclusion of the Senate committee hearings on Medicaid expansion.

On Thursday, the Senate Public Health and Welfare Committee concluded five days of hearings on Medicaid expansion. Tuesday, neutral testimony on Medicaid expansion was heard. On Wednesday and Thursday, the committee heard from opponents.

Wednesday afternoon, the Senate debated its resolution concerning the proposed constitutional amendment restricting abortion in Kansas. The debate lasted four hours. Senate President Susan Wagle carried the amendment during a sometimes-emotional floor debate. Only one amendment was added by Sen. Dennis Pyle. The amendment clarified that the August primary was an official state election. Traditionally, primaries have less than 25% voter turnout, and independents cannot vote unless they declare a political party. The measure was advanced to final action after the debate. It passed 28-12 with the necessary two-thirds vote.

On Wednesday, the Senate Financial Institutions Committee heard two healthcare transparency bills. SB 281 is the Healthcare Price Disclosure Act. The Kansas Hospital Association pointed out that this information is already readily available at the federal level. SB 282 is the Patients' Right To Know Act addressing transparency.

Also this week, the Senate Federal and State Affairs Committee held two days of hearings on legalizing sports betting. SB 283 would authorize sports wagering done through the lottery but exclusive to casinos who could accept bets from electronic devices.

REPUBLICANS GATHER IN OLATHE

The 2020 GOP State Convention opens today in Olathe. The upcoming elections will be the focus of training events. There will be hospitality rooms and a U.S. Senatorial GOP debate, highlighted by the planned Celebration of Service honoring retiring Sen. Pat Roberts.

Bill Introductions

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INSURANCE

SB 323 – Would amend applicable provisions of the Kansas Insurance Code to make clear that altering the terms of a property and casualty insurance policy will not be considered a denial of renewal policy, if the insured is provided proper notice. Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair.

SB 324 – Would provide that individuals have a right to privately contract with healthcare providers for healthcare services without mandate or penalty from the state. The reasoning behind this legislation is fairly obvious in that individuals could lower their healthcare service prices if coverage mandates (e.g., mental health parity) could be eliminated. However, difficulty for individuals attempting to negotiate with providers and federal supremacy questions also seems obvious. Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair.

SB 346 – Would authorize the Kansas Insurance Department to retain the proceeds from the sale of department surplus real estate. The proceeds would be credited to the Department's service regulation fund. Referred to the Senate Committee on Ways and Means, Sen. Carolyn McGinn, Chair.

SB 347 – Would provide the Kansas Insurance Department with greater flexibility in assessing fees to carriers for examinations and hiring financial and actuarial consultants. Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair.

TAXATION

HB 2514 – Would require Kansas counties to purchase property or agricultural property if the taxpayer disputes the valuation through the Board of Tax Appeals and is issued a decision establishing the property value. Referred to the House Committee on Taxation, Rep. Steven Johnson, Chair.

HB 2513 – Would require "marketplace facilitators" (i.e., in general, online platforms designed to permit unaffiliated persons to rent lodgings) to collect and remit sales taxes from sales made on their platforms. The proposal would remove the click-through nexus provisions. Referred to the House Committee on Taxation, Rep. Steven Johnson. A hearing on this matter is scheduled for Wednesday, Feb. 5, 2020.

HB 2517 – Would provide a property-tax abatement for agricultural improvements fully or substantially destroyed by a natural disaster. Referred to the House Committee on Taxation, Rep. Steven Johnson, Chair.

HB 2538 – An income tax measure which would increase the standard deduction for Kansas residents. Referred to the House Committee on Taxation, Rep. Steven Johnson, Chair.

HB 2537 – Would require that remote sellers have in excess of \$100,000 in gross receipts from Kansas sales in order to establish sales tax nexus to Kansas, thus triggering the reporting and remittance provisions of the sales tax law. Referred to the House Committee on Taxation, Rep. Steven Johnson, Chair.

COMMERCE AND FINANCE

HB 2529 – Would amend the STAR bonds law by adding rural development, major businesses, and medical facilities, increasing certain project investment and sales requirements, adding a return-on-investment analysis and other requirements and approvals by the Secretary of Commerce. The bill would also extend the existing sunset date. Referred to the House Committee on Commerce, Labor, and Economic Development, Rep. Sean Tarwater, Chair.

HB 2454 – Would add a provision to the self-storage rental rules required by K.S.A. 58-819, which would inform a lessee that the rental unit could have a vehicle, watercraft, or trailer stored in the leased space towed if the lessee is in default. The unit operator's liability for a lessee's claim of damage to or loss of stored property would be limited

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to the maximum value of the property that may be stored under the rental agreement. The bill would make changes to the procedures required before the unit operator sells stored property of a lessee in default. The bill has been recommended for passage as amended by the House Committee on Commerce, Labor, and Economic Development, Rep. Sean Tarwater, Chair.

HEALTHCARE

HB 2522 – Would establish a rural hospital grant invocation program. Referred to the House Committee on Appropriations, Rep. Troy Waymaster, Chair.

SB 348 – Would increase the reimbursement rates for providers of home and community services under the Intellectual or Developmentally Disabled Waiver. Referred to the Senate Committee on Ways and Means, Sen. Carolyn McGinn, Chair.

LAWS AND COURTS

HB 2533 – Would enact the Uniform Family Law Arbitration Act in Kansas. Referred to the House Committee on Judiciary, Rep. Fred Patton, Chair. A hearing has been scheduled for this matter on Wednesday, Feb. 5, 2020.

HB 2401 – Would recognize that under the existing Kansas Corporation Code, it's sometimes hard to achieve a stockholder quorum in order to have a binding vote. This appears to be a problem for the Merc Coop in Lawrence, KS. The proposal would reduce the quorum requirement to 10%, provided the business has greater than 500 stockholders. The proposal appears to apply only to stock corporations. The bill has been recommended for passage as amended by the House Committee on Federal and State Affairs, Rep. John Barker, 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 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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PRACTICE AREAS

- Government Affairs & Public Policy Law