

# Journal of the House

## SIXTIETH DAY

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HALL OF THE HOUSE OF REPRESENTATIVES,  
TOPEKA, KS, Thursday, April 4, 2024, 10:00 a.m.

The House met pursuant to adjournment with Speaker pro tem Carpenter in the chair.

The roll was called with 122 members present.

Rep. Houser was excused on verified illness.

Reps. Alcalá and Highberger were excused on excused absence by the Speaker.

Excused later: Reps. Delperdang, Garber, Poetter Parshall and L. Ruiz.

Present later: Reps. Delperdang and Highberger.

Prayer by Chaplain Holmes:

Dear Father, In the Book of Psalms, we read, “In Thee O’ Lord I have taken refuge: let me never be ashamed. In Thy righteousness deliver me, and rescue me; incline Thine ear to me, and save me. Be Thou to me a rock of habitation, to which I may continually come; Thou hast given commandment to save me, For Thou art my rock and my fortress. Rescue me, O’ my God, out of the hand of the wicked, out of the grasp of the wrong doer and ruthless man.”

Today, as we look at the myriad of things facing us, we truly want to find a refuge in You. We are about to enter into debate and deliberation. When the votes are recorded and we are able to look back, help us to have acted in such a manner as to not be ashamed. I pray that every discussion I participate in and every vote that is recorded with my name attached, will find my decisions based on what is right and just.

Sharpen our minds as we look closely at that which will be put before us. Might everything we do be shrouded in Your righteousness.

For the person who just might be getting on our nerves a bit, help us to extend grace, even when it is not returned or even acknowledged. Might our satisfaction come from knowing that You know our hearts and why we do what we do.

We pray for the sick and vulnerable in our individual communities. Bring resources to their aid I pray. I pray for the families of each one gathered here in this chamber of decision. Give them patience with the long days and seemingly endless meetings that demand our attention, the attention which many times rightly belongs to them.

I pray this In Jesus Name. Amen.

The Pledge of Allegiance was led by Rep. Francis.

### INTRODUCTION OF GUESTS

There being no objection, the following remarks of Rep. Buehler are spread upon the Journal:

Rep. Buehler invited members of the Veterans Caucus and Vietnam Veterans to join him at the well.

Thank you for your attention this morning and on this special occasion as we recognize a truly great Kansan, the late COL Roger H. C. Donlon, the first recipient of the Medal of Honor during the Vietnam War. I am joined at the well by:

- Mrs. Norma Donlon, the widow of COL Donlon
- COL (Ret) Mike and June Neer.
- Justine Donlon-Jeschke (Granddaughter)
- Jordon Donlon (Granddaughter)
- Jackie Florez (family friend)
- Debra Crater (Topeka VA Caregiver Program)
- Kevin Regan (Attorney)
- Art Fillmore (Attorney)
- Pat Warren (President of the KS Speedway and CASA)

And in the gallery, I would like to recognize Terry Buckler, the President of Special Forces Association Chapter 29, Frank Goss and his guest Betty, and Amy Nutsch.

Before I begin reading the citation, the Medal of Honor is the United States' highest award for military valor in action. The first Medal of Honor was awarded in 1861, and since then, there have been 3,536 Medals of Honor awarded, 618 of which were awarded posthumously. During the Vietnam War, there have been 235 recipients of the Medal of Honor. Today, we are here to welcome Mrs. Donlon, her family and friends to the Kansas State Capitol, and to honor the legacy of her husband, the late COL Roger H. C. Donlon, the first recipient of the Medal of Honor during the Vietnam War, and a truly remarkable Kansas citizen from Leavenworth. And, COL Donlon was also the first Special Forces member to be a recipient of the Medal of Honor.

Today as we pay tribute to COL Donlon, I would like to read an excerpt from his Medal of Honor presentation ceremony:

December 05, 1964

Mrs. Donlon, Senator Hayden, Senator Keating, Senator-elect Kennedy, Secretary McNamara, ladies and gentlemen:

This is a proud moment for all Americans. We are here today to present this Nation's highest honor to Captain Roger H. C. Donlon, United States Army.

On July 6th of this year, Captain Donlon was the Commanding Officer of the United States Army Special Forces Team A-726, at Camp Nam Dong in the Republic of Viet-Nam.

Under cover of night, a reinforced Viet Cong battalion launched a full-scale attack on the camp. A violent battle took place lasting 5 hours. The Viet Cong enemy used mortars, grenades, and very heavy gunfire.

Captain Donlon was wounded four times--in the stomach, in the leg, in the shoulder, and in the face. Wounded though he was, Captain Donlon directed a successful defense of the camp. He moved from post to post and man to man within the camp perimeter. Despite his multiple wounds, Captain Donlon, with great courage and coolness, inspired the American personnel and the friendly Vietnamese troops to a successful defense of their camp.

No one who has seen military service will fail to appreciate and understand the magnitude of Captain Donlon's heroic performance under enemy fire in the darkness.

This Medal of Honor awarded in the name of the Congress is the first such honor to be bestowed upon an American military man for conspicuous gallantry above and beyond the call of duty in our present efforts in the Republic of Viet-Nam.

Next week, Governor Kelly has proclaimed that April 10th, 2024, will be COL Roger H. C. Donlon Day. Today, I present this House certificate to Mrs. Roger Donlon, and it reads as follows:

State of Kansas, House of Representatives: In recognition and grateful memory for his exceptional gallantry, inspirational leadership and courage under heavy enemy fire on July 6, 1964, while successfully leading the defense of his forces at Camp Nam Dong in the Republic of Vietnam.

The entire membership extends its appreciation for his exemplary service to the United States.

#### **MESSAGE FROM THE GOVERNOR**

March 27, 2024

*Message to the Kansas House of Representatives:*

Enclosed herewith is Executive Directive No. 24-581 for your information.

Executive Directive No. 24-581  
Authorizing Expenditure of Federal Funds

LAURA KELLY  
*Governor*

The above Executive Directive is on file and open for inspection in the office of the Chief Clerk.

#### **MESSAGE FROM THE GOVERNOR**

**HB 2590, HB 2604, HB 2605, HB 2632, HB 2661, HB 2783** approved on April 4, 2024.

#### **COMMUNICATIONS FROM STATE OFFICERS**

From Vicki Schmidt, Commissioner of Insurance, Kansas Department of Insurance; FY 2023 Year End Report.

The complete report is kept on file and open for inspection in the office of the Chief Clerk.

**MESSAGES FROM THE SENATE**

The Senate adopts the Conference Committee report to agree to disagree on **HB 2465**, and has appointed Senators Tyson, Peck and Holland as Second conferees on the part of the Senate.

**CHANGE OF CONFEREES**

Reps. Humphries, Lewis, and Osman are appointed to replace Reps. Concannon, Johnson, and Ousley as members of the conference committee on **S Sub for HB 2070**.

Reps. A. Smith, Bergkamp, and Sawyer are appointed to replace Reps. Sutton, Penn, and Neighbor as members of the conference committee on **HB 2097**.

On motion of Rep. Croft, the House recessed until 10:45 a.m.

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**LATE MORNING SESSION**

The House met pursuant to recess with Speaker pro tem Carpenter in the chair.

**CONFERENCE COMMITTEE REPORT**

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2465** submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

CARYN TYSON

VIRGIL PECK

*Conferees on part of Senate*

ADAM SMITH

BRIAN BERGKAMP

*Conferees on part of House*

On motion of Rep. Smith, A. the conference committee report on **HB 2465** to agree to disagree, was adopted.

Speaker pro tem Carpenter thereupon appointed Reps. Smith, A., Bergkamp and Sawyer as second conferees on the part of the House.

**MOTION TO CONCUR**

On motion of Rep. Hoheisel, the House concurred in Senate amendments to **HB 2577**, AN ACT concerning state moneys; relating to the investment and management thereof; providing discretionary authority to the state treasurer to transfer moneys certified as equivalent to the aggregate net amount received for unclaimed property to the board of trustees of the Kansas public employees retirement system and to liquidate such moneys for investment by the pooled money investment board or for necessary payments to owners of unclaimed property; amending K.S.A. 2023 Supp. 75-2263 and repealing the existing section.

(The House requested the Senate to return the bill, which was in conference).

On roll call, the vote was: Yeas 120; Nays 2; Present but not voting: 0; Absent or not voting: 3.

Yeas: Amyx, Anderson, Averkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Featherston, Francis, Garber, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Hill, Hoffman, Hoheisel, Hougland, Howe, Howell, Howerton, Hoye, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Helgerson, Poetter.

Present but not voting: None.

Absent or not voting: Alcala, Highberger, Houser.

On motion of Rep. Croft, the House recessed until 12:30 p.m.

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EARLY AFTERNOON SESSION

The House met pursuant to recess with Speaker pro tem Carpenter in the chair.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 387** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 387 with House Committee of the Whole amendments, as follows:

On page 2, following line 41, by inserting:

"(f) On the effective date of this act, the \$300,000 appropriated for the above agency for the fiscal year ending June 30, 2024, by section 2(a) of chapter 98 of the 2023 Session Laws of Kansas from the state general fund in the juvenile transitional crisis center pilot account (652-00-1000-0210) is hereby lapsed.

(g) There is hereby appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2024, the following:

Operating expenditures (including  
official hospitality) (652-00-1000-0053).....\$87,297";

On page 3, by striking all in lines 33 through 43;

On page 4, by striking all in lines 1 through 16; by striking all in lines 19 and 20; by striking all in lines 26 through 43;

On page 5, by striking all in lines 1 through 12; in line 13, by striking all before the

period and inserting "*Provided*, That expenditures shall be made by the above agency from the school safety and security grants account for fiscal year 2025 for disbursements of grant moneys approved by the state board of education for the: (1) Acquisition of automated external defibrillators and routine maintenance of such devices; (2) purchase and installation of security cameras that are compatible with the firearm detection software specified in paragraph (3); and (3) notwithstanding the provisions of K.S.A. 72-1151, and amendments thereto, or any other statute, acquisition and implementation of firearm detection software that: (A) Can reduce the threat and impact of gun violence by providing a firearm detection software solution that integrates into existing security camera systems; (B) is designated as qualified anti-terrorism technology under the federal SAFETY act, 6 U.S.C. § 441 et seq.; (C) complies with industry standard information security frameworks, including ISO 27001 and SOC 2 type 2; (D) is managed through a constantly monitored operations center that is staffed by highly trained analysts to ensure rapid communication of possible threats to end users; (E) is developed in the United States without the use of any third-party or open-source data; (F) is protected by an awarded patent that includes a training database populated with frames of actual videos of firearms that were taken in relevant environments across diverse industries; (G) is utilized in at least 30 states with customers in the public and private sector; (H) does not store, monetize or collect any biometric data or personally identifiable information; and (I) is able to detect three broad firearm classifications with a minimum of 300 subclassifications and has the ability to detect at least 2,000 permutations: *Provided further*, That all moneys expended for school safety and security grants for fiscal year 2025 shall be matched by the receiving school district on a \$1-for-\$1 basis from other moneys of the school district that may be used for such purpose: *And provided further*, That, notwithstanding the provisions of K.S.A. 75-3739, and amendments thereto, or any other statute, not less than 30 days following the effective date of this act, the above agency shall publish a list of the entities that provide firearm detection software that meets the requirements of paragraph (3)";

On page 6, in line 15, after "who" by inserting "have completed training in the science of reading,";

On page 7, by striking all in lines 5 through 18;

On page 11, following line 31, by inserting:

"Children's cabinet public-private

partnership pilot program.....\$5,000,000

*Provided*, That all expenditures from the children's cabinet public-private partnership pilot program account shall be provided to a community foundation-led project that funds operational support to childcare providers in rural and frontier communities and can serve as a regional model for addressing childcare supply challenges: *Provided further*, That all such expenditures from such account shall require a match of private moneys on the basis of \$1 state moneys for \$1 private moneys: *And provided further*, That it is the intent of the legislature that the appropriation to the children's cabinet public-private partnership pilot program account made by this act is intended to be a one-time appropriation and that no moneys shall be appropriated to such account for fiscal year 2026.";

On page 14, in line 4, after "the" by inserting "sum of";

On page 18, in line 8, by striking "Commencing in school year 2024-2025,"; also in line 8, after "each" by inserting "participating";

On page 19, in line 13, after "Each" by inserting "participating"; in line 39, after "Each" by inserting "participating";

On page 22, in line 42, after "Each" by inserting "participating";

On page 23, in line 7, by striking all after "students"; in line 8, by striking all before "who"; in line 12, after "(i)" by inserting "(1) For school year 2024-2025, the provisions of subsections (a) through (h) shall be implemented as a pilot program by 10 school districts selected by the state board of education for participation in such pilot program. When selecting the 10 school districts that will participate in such pilot program, the state board of education shall select a diverse array of school districts with consideration given to a school district's size, location, student demographics and level of staff participation and prior training in the science of reading.

(2) Commencing in school year 2025-2026, the provisions of subsections (a) through (h) shall be implemented by all school districts, and the school districts that were selected by the state board for the pilot program shall continue in accordance with the provisions of subsections (a) through (h).

(j)";

Also on page 23, in line 15, after "(A)" by inserting "Subject to the provisions of subsection (i),"; in line 20, after "(B)" by inserting "subject to the provisions of subsection (i),"; in line 25, after "(C)" by inserting "the expenditures made from the school district's at-risk education fund, which shall be submitted:

(i) In school year 2024-2025 by the school districts that are participating in the pilot program established pursuant to subsection (i); and

(ii) in school year 2025-2026 and each school year thereafter, by all school districts;

(D)";

On page 24, in line 18, by striking "(i)" and inserting "(j)";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 35, in line 1, by striking "(1)(L)" and inserting "(1)(M)";

On page 46, in line 38, by striking "peer" and inserting "school district";

On page 47, following line 1, by inserting:

"(C) If the state board removes any program or service from the state board's list of approved at-risk educational programs and services, a school district that is implementing any such program or service may apply to the state board to continue to make expenditures from the school district's at-risk education fund to continue to implement such program or service. When considering a school district's application to continue using any such program or service, the state board shall require such school district to demonstrate that any of the following improvements are directly attributable to the program or service:

(i) Academic improvement in either mathematics or English language arts has occurred; or

(ii) an improvement in attendance, college and career readiness measures or the education climate through a showing of a measurable decrease in detentions, expulsions, tardiness or other behavioral issues that hinder student learning.";

Also on page 47, by striking all in lines 7 through 15;

On page 48, in line 34, by striking "peer" and inserting "school district";

On page 1, in the title, in line 16, by striking all after the semicolon; in line 17, by striking all before the first "to" and inserting "establishing a pilot program in school year 2024-2025 to require certain school districts"; in line 19, after the semicolon by inserting "requiring all school districts to participate in such program in school year 2025-2026;"; also in line 19, after "holding" by inserting "participating"; in line 22, by striking "expenditure" and inserting "expenditures";

And your committee on conference recommends the adoption of this report.

KRISTEY WILLAMS

JASON GOETZ

*Conferees on part of House*

MOLLY BAUMGARDNER

RENEE ERICKSON

*Conferees on part of Senate*

On motion of Rep. Williams, K., the conference committee report on **H Sub for SB 387** was adopted.

On roll call, the vote was: Yeas 65; Nays 58; Present but not voting: 0; Absent or not voting: 2.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bryce, Buehler, B. Carpenter, W. Carpenter, Corbet, Croft, Delperdang, Dodson, M., Droge, Essex, Estes, Fairchild, Francis, Garber, Gardner, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Howell, Howerton, Humphries, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Murphy, Neelly, Owens, Penn, Pickert, Poetter, Proctor, Resman, Rhiley, Robinson, Roth, Sanders, Schmoe, Seiwert, Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K..

Nays: Amyx, Ballard, Bloom, Borjon, Butler, Carlin, Carmichael, Carr, Clifford, Collins, Concannon, Curtis, Ellis, Eplee, Featherston, Goddard, Haskins, Haswood, Helgerson, Highberger, Hougland, Howe, Hoyer, Jacobs, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Rahjes, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Schreiber, Smith, A., Smith, C., Smith, E., Stogsdill, Vaughn, Weigel, Williams, L., Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: Alcalá, Houser.

## CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 18** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 6 through 36;

On page 2, by striking all in lines 1 through 29; following line 29 by inserting:

"New Section 1. (a) The provisions of sections 1 through 8, and amendments thereto, shall be known and may be cited as the Kansas campus restoration

act.

(b) The purpose of the Kansas campus restoration act is to reduce deferred maintenance of educational mission-critical facilities at postsecondary educational institutions, to bring such facilities to a state of good repair and to provide for the demolition or razing of facilities at state educational institutions that are no longer mission-critical.

(c) As used in the Kansas campus restoration act:

(1) "Board of regents" means the same as defined in K.S.A. 76-711, and amendments thereto.

(2) "Fund" means the Kansas campus restoration fund established in section 2, and amendments thereto.

(3) "Postsecondary educational institution" means the same as defined in K.S.A. 74-3201b, and amendments thereto.

(4) "State educational institution" means the same as defined in K.S.A. 76-711, and amendments thereto.

New Sec. 2. (a) There is hereby established in the state treasury the Kansas campus restoration fund. The Kansas campus restoration fund shall be administered by the board of regents. All expenditures from the fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the board of regents or by a person or persons designated by the board of regents.

(b) A deferred maintenance account of the fund shall be established for each postsecondary educational institution for the purpose of making capital improvement expenditures from the fund.

(c) (1) Except as provided in paragraphs (2) and (3), all expenditures from the fund shall require a match of nonstate moneys on a \$1-for-\$1 basis from either the postsecondary educational institution or private moneys.

(2) Expenditures from the fund for a community college, technical college, institute of technology or municipal university shall not require a match.

(3) Expenditures from the fund from a state educational institution's deferred maintenance account for demolition or razing of buildings or facilities on the campus of such state educational institution shall not require a match.

(d) On or before the 10<sup>th</sup> day of each month, the director of accounts and reports shall transfer from the state general fund to the Kansas campus restoration fund interest earnings based on:

(1) The average daily balance of moneys in the Kansas campus restoration fund for the preceding month; and

(2) the net earnings rate for the pooled money investment portfolio for the preceding month.

New Sec. 3. On July 1, 2025, July 1, 2026, July 1, 2027, July 1, 2028, July 1, 2029, and July 1, 2030, or as soon thereafter each such date as moneys are available, the

director of accounts and reports shall transfer \$32,700,000 from the state general fund to the Kansas campus restoration fund.

New Sec. 4. (a) Each state educational institution shall develop and submit to the board of regents a plan for the purpose of rehabilitating, remodeling or renovating existing facilities or building new facilities that are mission-critical of such state educational institution and to bring such facilities to a state of good repair. Such plan shall also include a list of facilities for demolition or razing. Each state educational institution's plan shall be subject to approval by the board of regents.

(b) The board of regents shall develop a comprehensive Kansas campus restoration plan that includes facilities from each state educational institution's plan as approved by the board of regents.

(c) The board of regents shall ensure that facilities located on the Kansas state university Salina campus and the university of Kansas Edwards campus in Overland Park, Kansas, are not excluded from direct participation in the Kansas campus restoration plan.

(d) The Kansas campus restoration plan shall encourage, and the board of regents may require, a reduction of total campus square footage in a project associated with such plan.

New Sec. 5. (a) Commencing in fiscal year 2026 through fiscal year 2031, the board of regents shall distribute in each fiscal year an aggregate amount of \$30,000,000 from the Kansas campus restoration fund to each state educational institution's deferred maintenance account established pursuant to section 2, and amendments thereto, in accordance with the Kansas campus restoration plan developed and approved pursuant to section 4, and amendments thereto.

(b) Commencing in fiscal year 2026 through fiscal year 2031, the board of regents shall credit \$100,000 in each fiscal year from the Kansas campus restoration fund to each community college, technical college, institute of technology and municipal university account established pursuant to section 2, and amendments thereto.

New Sec. 6. The board of regents is hereby authorized to adopt rules and regulations necessary to implement and administer the provisions of the Kansas campus restoration act and shall adopt rules and regulations to define:

(a) "Educational mission-critical facilities." Such definition may include, but not be limited to, any facility of a research or economic generation capacity that the board of regents deems essential. Such definition shall not include auxiliary or athletic-funded facilities; and

(b) "state of good repair." Such definition shall be of an industry standard and shall be presented to the joint committee on state building construction for review and comment.

New Sec. 7. Annually on or before the first day of the regular session of the legislature:

(a) The board of regents shall submit a report on the progress of the Kansas campus restoration plan to the senate committee on ways and means, the house of

representatives committee on appropriations, the house of representatives higher education budget committee and the joint committee on state building construction; and

(b) each community college, technical college, institute of technology and municipal university shall submit a report on each institution's expenditures of moneys received pursuant to section 5(b), and amendments thereto, to the board of regents, the senate committee on ways and means, the house of representatives committee on appropriations and the house of representatives higher education budget committee.

New Sec. 8. The provisions of sections 1 through 8, and amendments thereto, shall expire on July 1, 2031.

Sec. 9. K.S.A. 74-3201b is hereby amended to read as follows: 74-3201b. As used in the Kansas higher education coordination act:

(a) "Adult basic education program" and "adult supplementary education program" ~~have the meanings respectively ascribed thereto~~ mean the same as defined in K.S.A. 74-32,253, and amendments thereto.

(b) "Community college" means any community college established under the laws of this state.

(c) "Institute of technology" or "Washburn institute of technology" means the institute of technology at Washburn university.

(d) "Municipal university" means Washburn university of Topeka or any other municipal university established under the laws of this state.

(e) "Postsecondary educational institution" means any public university, municipal university, community college ~~and~~, technical college; and institute of technology. "Postsecondary educational institution" includes any entity resulting from the consolidation or affiliation of any two or more of such postsecondary educational institutions.

(f) "Private postsecondary educational institution" and "out-of-state postsecondary educational institution" ~~have the meanings ascribed thereto~~ mean the same as defined in K.S.A. 74-32,163, and amendments thereto.

(g) "Public university" means any state educational institution.

(h) "Representative of a postsecondary educational institution" means any person who is the holder of an associate degree, a bachelor's degree; or a certificate of completion awarded by a postsecondary educational institution.

(i) "State board of regents" or "state board" means the state board of regents provided for in the constitution of this state and established by K.S.A. 74-3202a, and amendments thereto, except as otherwise specifically provided in this act.

(j) "State educational institution" means any state educational institution; as defined in K.S.A. 76-711, and amendments thereto.

(k) "Technical college" means any technical college established under the laws of this state.

Sec. 10. K.S.A. 74-3201b is hereby repealed.;

Also on page 2, in line 31, by striking "Kansas register" and inserting "statute book";  
And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in line 2; in line 3, by striking all before the period and inserting "the state board of regents; enacting the Kansas campus restoration act; relating to deferred maintenance

and demolition of facilities at postsecondary educational institutions; authorizing the board to adopt rules and regulations; establishing the Kansas campus restoration fund in the state treasury; authorizing certain transfers from the state general fund to the Kansas campus restoration fund; requiring annual reports be submitted to certain committees of the legislature; amending K.S.A. 74-3201b and repealing the existing section";

And your committee on conference recommends the adoption of this report.

TROY WAYMASTER  
 KYLE HOFFMAN  
 HENRY HELGERSON  
*Conferees on part of House*

RICK BILLINGER  
 J R CLAEYS  
 PAT PETTEY  
*Conferees on part of Senate*

On motion of Rep. Waymaster, the conference committee report on **SB 18** was adopted.

On roll call, the vote was: Yeas 86; Nays 37; Present but not voting: 0; Absent or not voting: 2.

Yeas: Amyx, Anderson, Ballard, Bergquist, Borjon, Bryce, Buehler, Butler, Carlin, B. Carpenter, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Featherston, Francis, Gardner, Goddard, Haskins, Haswood, Hawkins, Highberger, Hoffman, Hoheisel, Hougland, Howerton, Hoye, Kessler, Landwehr, Maughan, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schreiber, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Vaughn, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Awerkamp, Barth, Bergkamp, Blew, Blex, Bloom, Carmichael, W. Carpenter, Carr, Clifford, Estes, Fairchild, Garber, Goetz, Helgerson, Hill, Howe, Howell, Humphries, Jacobs, T. Johnson, Lewis, Martinez, Mason, McNorton, Murphy, Neelly, Owens, Penn, Poetter, Rhiley, Schmoe, Seiwert, Turner, Underhill, Waggoner, Wasinger.

Present but not voting: None.

Absent or not voting: Alcalá, Houser.

## CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 384** submits the following report:

The House recesses from all of its amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, following line 9, by inserting:

"New Section 1. (a) The provisions of sections 1 through 6, and amendments

thereto, shall be known and may be cited as the Riley county unincorporated area nuisance abatement act.

(b) Before any nuisance abatement process shall be commenced under the Riley county unincorporated area nuisance abatement act, Riley county first shall have obtained a conviction for a county code violation resulting from such nuisance within the 12-month period prior to the issuance of any order as provided in section 2, and amendments thereto.

(c) (1) The board of county commissioners may order the removal or abatement of any nuisance from any lot or parcel of ground within the unincorporated area of the county. The board may order the repair or demolition of any structure or the removal or abatement of any other type of nuisance.

(2) The order shall provide that all costs associated with the abatement shall be paid by the owner of the property on which the nuisance is located.

New Sec. 2. (a) Whenever the board of county commissioners or other agency designated by the board files with the Riley county clerk a statement in writing describing a nuisance and declaring that such nuisance is a menace and dangerous to the health of the inhabitants of the county, the board of county commissioners, by resolution, may make such determination and issue an order requiring the nuisance be removed or abated.

(b) Except as provided by subsection (c), the board of county commissioners shall order the owner of the property to remove and abate the nuisance within not less than 10 days, to be specified in the order. The board or its designated representative may grant extensions of the time period indicated in the order. The order shall state that, before the expiration of the waiting period or any extension, the recipient may request a hearing before the board or its designated representative. The order shall be served on the owner by personal service in accordance with K.S.A. 60-303, and amendments thereto.

(c) If the owner of the property has failed to accept delivery or otherwise failed to effectuate receipt of a notice sent pursuant to this section during the preceding 24-month period, the board of county commissioners may provide notice of the issuance of any further orders to abate or remove a nuisance from the property in the manner provided by subsection (d) or as provided in this subsection. The board may provide notice of the order by such methods including, but not limited to, door hangers conspicuously posting notice of the order on the property, personal notification, telephone communication or first-class mail. If the property is unoccupied and the owner is a nonresident, notice provided by this section shall be given by telephone communication or first-class mail.

(d) If the owner of the property fails to comply with the order for a period longer than that named in the order or any extensions of such time period, the board of county commissioners may proceed to order the repair or demolition of any structure and have the items described in the order removed and abated from the lot or parcel of ground. If the county abates or removes the nuisance, the county shall give notice to the owner by certified mail, return receipt requested, of the total cost of the abatement or removal incurred by the county. The notice also shall state that payment of the cost is due and

payable within 60 days following the mailing of the notice.

(e) If the cost of the removal or abatement is not paid within the 60-day period, the cost shall be assessed and charged against the lot or parcel of land on which the nuisance was located. If the cost is to be assessed, the county clerk, at the time of certifying other county taxes, shall certify the costs, and the county clerk shall extend the cost on the tax roll of the county against the lot or parcel of land. Such cost shall be collected by the county treasurer.

(f) In assessing the cost of removal and abatement of a nuisance, the county shall subtract from the total cost of the abatement or removal incurred by the county the value of the property removed or abated. If the value of the property removed or abated is greater than the cost of the removal or abatement incurred by the county, the county shall pay the owner the difference. If the value of the property is contested, the property owner may request a hearing before the board or its designated representative prior to the 60 days following receipt of notice of costs due and payable under subsection (d).

(g) All orders and notices shall be served on the owner of record or, if there is more than one owner of record, then on at least one such owner.

(h) Any decision of the board of county commissioners or its designated representative is subject to review in accordance with the Kansas judicial review act.

New Sec. 3. Riley county may remove and abate from property, other than public property or property open to use by the public, a motor vehicle determined to be a nuisance. Disposition of such vehicles shall be in compliance with the procedures for impoundment, notice and public auction provided by K.S.A. 8-1102(a)(2), and amendments thereto. Following any sale by public auction of a vehicle determined to be a nuisance, the purchaser may file proof with the division of vehicles, and the division shall issue a certificate of title to the purchaser of the motor vehicle. If a public auction is conducted but no responsible bid is received, the county may file proof with the division of vehicles, and the division shall issue a certificate of title of the motor vehicle to the county. Any person whose motor vehicle has been disposed of pursuant to this section shall be eligible for a refund of the tax imposed pursuant to K.S.A. 79-5101 et seq., and amendments thereto. The amount of the refund shall be determined in the manner provided by K.S.A. 79-5107, and amendments thereto.

New Sec. 4. The board of county commissioners may adopt a resolution to establish any policies, procedures, designated body or other related matters for hearings that property owners or their agents may request pursuant to the Riley county unincorporated area nuisance abatement act.

New Sec. 5. (a) The legislature declares it is the policy of this state to protect and encourage the production and processing of food and other agricultural products. As nonagricultural uses of property continue to move into agricultural and agribusiness areas, normal agricultural and agribusiness activities can find themselves subjected to public and private claims of nuisance. Therefore, it is the legislative intent of this act to protect agricultural and agribusiness activities from nuisance actions. As such, nothing in the Riley county unincorporated area nuisance abatement act shall apply to land, structures, machinery and equipment or motor vehicles used for an agricultural activity or oil and gas exploration and development activity.

(b) For purposes of this section, the term "agricultural activity" means the same as defined in K.S.A. 2-3203, and amendments thereto, except such term shall also include real and personal property, machinery, equipment, stored grain and agricultural input products owned or maintained by commercial grain elevators and agribusiness facilities.

New Sec. 6. The Riley county unincorporated area nuisance abatement act, sections 1 through 6, and amendments thereto, shall expire on July 1, 2027.

New Sec. 7. (a) The provisions of sections 7 through 12, and amendments thereto, shall be known and may be cited as the Crawford county unincorporated area nuisance abatement act.

(b) Before any nuisance abatement process shall be commenced under the Crawford county unincorporated area nuisance abatement act, Crawford county first shall have obtained a conviction for a county code violation resulting from such nuisance within the 12-month period prior to the issuance of any order as provided in section 8, and amendments thereto.

(c) (1) The board of county commissioners may order the removal or abatement of any nuisance from any lot or parcel of ground within the unincorporated area of the county. The board may also order the repair or demolition of any structure or the removal or abatement of any other type of nuisance.

(2) The order shall provide that all costs associated with the abatement shall be paid by the owner of the property on which the nuisance is located.

New Sec. 8. (a) Whenever the board of county commissioners or other agency designated by the board files with the Crawford county clerk a statement, in writing, describing a nuisance and declaring that such nuisance is a menace and dangerous to the health of the inhabitants of the county, the board of county commissioners, by resolution, may make such determination and issue an order requiring the nuisance be removed or abated.

(b) Except as provided by subsection (c), the board of county commissioners shall order the owner of the property to remove and abate the nuisance within not less than 10 days, to be specified in the order. The board or its designated representative may grant extensions of the time period indicated in the order. The order shall state that, before the expiration of the waiting period or any extension, the recipient may request a hearing before the board or its designated representative. The order shall be served on the owner by personal service in accordance with K.S.A. 60-303, and amendments thereto.

(c) If the owner of the property has failed to accept delivery or otherwise failed to effectuate receipt of a notice sent pursuant to this section during the preceding 24-month period, the board of county commissioners may provide notice of the issuance of any further orders to abate or remove a nuisance from the property in the manner provided by subsection (d) or as provided in this subsection. The board may provide notice of the order by such methods, including, but not limited to, door hangers conspicuously posting notice of the order on the property, personal notification, telephone communication or first-class mail. If the property is unoccupied and the owner is a nonresident, notice provided by this section shall be given by telephone communication or first-class mail.

(d) If the owner of the property fails to comply with the order for a period longer than that named in the order or any extensions of such time period, the board of county commissioners may proceed to order the repair or demolition of any structure and have the items described in the order removed and abated from the lot or parcel of ground. If the county abates or removes the nuisance, the county shall give notice to the owner, by certified mail, with return receipt requested, of the total cost of the abatement or removal incurred by the county. The notice also shall state that payment of the cost is due and payable within 60 days following the mailing of the notice.

(e) If the cost of the removal or abatement is not paid within the 60-day period, the cost shall be assessed and charged against the lot or parcel of land on which the nuisance was located. If the cost is to be assessed, the county clerk, at the time of certifying other county taxes, shall certify the costs, and the county clerk shall extend the cost on the tax roll of the county against the lot or parcel of land. Such cost shall be collected by the county treasurer.

(f) In assessing the cost of removal and abatement of a nuisance, the county shall subtract from the total cost of the abatement or removal incurred by the county the value of the property removed or abated. If the value of the property removed or abated is greater than the cost of the removal or abatement incurred by the county, the county shall pay the owner the difference. If the value of the property is contested, the property owner may request a hearing before the board or its designated representative prior to the 60 days following receipt of notice of costs due and payable under subsection (d).

(g) All orders and notices shall be served on the owner of record or, if there is more than one owner of record, then on at least one such owner.

(h) Any decision of the board of county commissioners or its designated representative is subject to review in accordance with the Kansas judicial review act.

New Sec. 9. Crawford county may remove and abate from property, other than public property or property open to use by the public, a motor vehicle determined to be a nuisance. Disposition of such vehicles shall be in compliance with the procedures for impoundment, notice and public auction provided by K.S.A. 8-1102(a)(2), and amendments thereto. Following any sale by public auction of a vehicle determined to be a nuisance, the purchaser may file proof with the division of vehicles, and the division shall issue a certificate of title to the purchaser of the motor vehicle. If a public auction is conducted but no responsible bid is received, the county may file proof with the division of vehicles, and the division shall issue a certificate of title of the motor vehicle to the county. Any person whose motor vehicle has been disposed of pursuant to this section shall be eligible for a refund of the tax imposed pursuant to K.S.A. 79-5101 et seq., and amendments thereto. The amount of the refund shall be determined in the manner provided by K.S.A. 79-5107, and amendments thereto.

New Sec. 10. The board of county commissioners may adopt a resolution to establish any policies, procedures, designated body or other related matters for hearings that property owners or their agents may request pursuant to the Crawford county unincorporated area nuisance abatement act.

nonagricultural uses of property continue to move into agricultural and agribusiness areas, normal agricultural and agribusiness activities can find themselves subjected to public and private claims of nuisance. Therefore, it is the legislative intent of this act to protect agricultural and agribusiness activities from nuisance actions. As such, nothing in the Crawford county unincorporated area nuisance abatement act shall apply to land, structures, machinery and equipment or motor vehicles used for an agricultural activity or oil and gas exploration and development activity.

(b) For purposes of this section, the term "agricultural activity" means the same as defined in K.S.A. 2-3203, and amendments thereto, except such term shall also include real and personal property, machinery, equipment, stored grain and agricultural input products owned or maintained by commercial grain elevators and agribusiness facilities.

New Sec. 12. The Crawford county unincorporated area nuisance abatement act, sections 7 through 12, and amendments thereto, shall expire on July 1, 2027.";

On page 4, following line 35, by inserting:

"(c) The board shall not require any ground vehicle providing interfacility transfers from any county with a population of 30,000 or less to operate with more than one person who satisfies the requirements of subsection (b) if the driver of such vehicle is certified in cardiopulmonary resuscitation.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "health and healthcare" and inserting "counties; creating the Riley county unincorporated area nuisance abatement act and the Crawford county unincorporated area nuisance abatement act; establishing procedures for the removal and abatement of nuisances; providing for the assessment of costs of such abatement"; in line 5, after the semicolon by inserting "permitting ambulances to operate with one certified emergency medical services provider in rural counties";

And your committee on conference recommends the adoption of this report.

EMIL BERGQUIST

DOUG BLEX

LINDA FEATHERSTON

*Conferees on part of House*

CAROLYN MCGINN

ELAINE BOWERS

MARCI FRANSISCO

*Conferees on part of Senate*

On motion of Rep. Bergquist, the conference committee report on **SB 384** was adopted.

On roll call, the vote was: Yeas 122; Nays 1; Present but not voting: 0; Absent or not voting: 2.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Featherston, Francis, Garber, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Hougland, Howe, Howell, Howerton, Hoye, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald,

McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Poetter.

Present but not voting: None.

Absent or not voting: Alcalá, Houser.

#### EXPLANATION OF VOTE

MR. SPEAKER: I vote no on **SB 384**. While I fully support the underlying bill that applies to the EMS Board, the addition of SB 162 was a poison pill. Personal property rights should be protected, not infringed on by overreaching governments. – SAMANTHA POETTER PARSHALL

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 356** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, following line 9, by inserting:

"New Section 1. (a) Each utilization review entity, certified pursuant to K.S.A. 40-22a04, and amendments thereto, shall implement and maintain a prior authorization application programming interface, pursuant to 45 C.F.R. 156.223 (b), as in effect on January 1, 2028.

(b) Nothing in this section shall be construed to apply to a prior authorization request for coverage of drugs.

(c) As used in this section, "drug" means the same as defined in 45 C.F.R. 156.221 (b)(1)(v), as in effect on January 1, 2028.

(d) This section shall be a part of and supplemental to the utilization review organization act.

(e) This section shall be effective on January 1, 2028.

New Sec. 2. (a) The plan sponsor of a health benefit plan may, on behalf of health benefit plan covered persons, provide the consent to the delivery of all communications related to the plan by electronic means, otherwise required by K.S.A. 40-5804, and amendments thereto, and to the electronic delivery of any health insurance identification cards.

(b) Before providing consent on behalf of a health benefit plan covered person, pursuant to subsection (a), a plan sponsor shall confirm that such health benefit plan covered person routinely, at least once every 24 hours during the work week, uses electronic communications during the normal course of employment of such health

benefit plan covered person.

(c) Before utilizing electronic means to deliver any plan communications or health insurance identification cards, the health benefit plan shall:

(1) Provide the health benefit plan covered person with an opportunity to opt out of electronic delivery and select United States mail as the preferred method of delivery for such health benefit plan covered person; and

(2) document that all applicable requirements under K.S.A. 40-5804, and amendments thereto, have been satisfied.

Sec. 3. K.S.A. 12-2620 is hereby amended to read as follows: 12-2620. (a) All certificates granted hereunder shall be perpetual unless sooner suspended or revoked by the commissioner or the attorney general.

(b) Whenever the commissioner shall deem it necessary the commissioner may make, or direct to be made, an examination of the affairs and the financial condition of any pool. Each pool shall submit a certified independent audited financial statement ~~no~~ not later than 180 days after the end of the fiscal year. The financial statement shall include outstanding reserves for claims and for claims incurred but not reported. Each pool shall file reports as to income, expenses and loss data at such times and in such manner as the commissioner shall require. Any pool ~~which that~~ does not use rates developed by an approved rating organization shall file with the commissioner an actuarial certification that such rates are actuarially sound. Whenever it appears to the commissioner from such examination or other satisfactory evidence that the ability to pay current and future claims of any such pool is impaired, or that it is doing business in violation of any of the laws of this state, or that its affairs are in an unsound condition so as to endanger its ability to pay or cause to be paid claims in the amount, manner and time due, the commissioner shall, before filing such report or making the same public, grant such pool upon reasonable notice a hearing, and, if on such hearing the report be confirmed, the commissioner may require any of the actions allowed under K.S.A. 40-222b, and amendments thereto, or suspend the certificate of authority for such pool until its ability to pay current and future claims shall have been fully restored and the laws of the state fully complied with. The commissioner may, if there is an unreasonable delay in restoring the ability to pay claims of such pool and in complying with the law or if rehabilitation or corrective action taken under K.S.A. 40-222b, and amendments thereto, is unsuccessful, revoke the certificate of authority of such pool to do business in this state. Upon revoking any such certificate the commissioner shall communicate the fact to the attorney general, whose duty it shall be to commence and prosecute an action in the proper court to dissolve such pool or to enjoin the same from doing or transacting business in this state. The commissioner of insurance may call a hearing under K.S.A. 40-222b, and amendments thereto, and the provisions thereof shall apply to group-funded pools.

(c) On an annual basis, or within 30 days of any change thereto, each pool shall supply to the commissioner the name and qualifications of the designated administrator of the pools and the terms of the specific and aggregate excess insurance contracts of the pool.";

On page 3, following line 27, by inserting:

"Sec. 5. K.S.A. 2023 Supp. 40-2c01 is hereby amended to read as follows: 40-2c01.

As used in this act:

(a) "Adjusted RBC report" means an RBC report that has been adjusted by the commissioner in accordance with K.S.A. 40-2c04, and amendments thereto.

(b) "Corrective order" means an order issued by the commissioner specifying corrective actions that the commissioner has determined are required to address an RBC level event.

(c) "Domestic insurer" means any insurance company or risk retention group that is licensed and organized in this state.

(d) "Foreign insurer" means any insurance company or risk retention group not domiciled in this state that is licensed or registered to do business in this state pursuant to article 41 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 40-209, and amendments thereto.

(e) "NAIC" means the national association of insurance commissioners.

(f) "Life and health insurer" means any insurance company licensed under article 4 or 5 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or a licensed property and casualty insurer writing only accident and health insurance.

(g) "Property and casualty insurer" means any insurance company licensed under articles 9, 10, 11, 12, 12a, 15 or 16 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, but does not include monoline mortgage guaranty insurers, financial guaranty insurers and title insurers.

(h) "Negative trend" means, with respect to a life and health insurer, a negative trend over a period of time, as determined in accordance with the "trend test calculation" included in the RBC instructions defined in subsection (j).

(i) "RBC" means risk-based capital.

(j) "RBC instructions" means the risk-based capital instructions promulgated by the NAIC that are in effect on December 31, ~~2022~~ 2023, or any later version promulgated by the NAIC as may be adopted by the commissioner under K.S.A. 40-2c29, and amendments thereto.

(k) "RBC level" means an insurer's company action level RBC, regulatory action level RBC, authorized control level RBC or mandatory control level RBC where:

(1) "Company action level RBC" means, with respect to any insurer, the product of 2.0 and its authorized control level RBC;

(2) "regulatory action level RBC" means the product of 1.5 and its authorized control level RBC;

(3) "authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions; and

(4) "mandatory control level RBC" means the product of 0.70 and the authorized control level RBC.

(l) "RBC plan" means a comprehensive financial plan containing the elements specified in K.S.A. 40-2c06, and amendments thereto. If the commissioner rejects the RBC plan, and it is revised by the insurer, with or without the commissioner's recommendation, the plan shall be called the "revised RBC plan."

(m) "RBC report" means the report required by K.S.A. 40-2c02, and amendments thereto.

(n) "Total adjusted capital" means the sum of:

(1) An insurer's capital and surplus or surplus only if a mutual insurer; and

(2) such other items, if any, as the RBC instructions may provide.

(o) "Commissioner" means the commissioner of insurance.

Sec. 6. K.S.A. 40-1137 is hereby amended to read as follows: 40-1137. A title insurance agent may operate as an escrow, settlement or closing agent, provided that:

(a) All funds deposited with the title insurance agent in connection with an escrow, settlement or closing shall be submitted for collection to, invested in or deposited in a separate fiduciary trust account or accounts in a qualified financial institution no later than the close of the next business day, in accordance with the following requirements:

(1) The funds shall be the property of the person or persons entitled to them under the provisions of the escrow, settlement or closing agreement and shall be segregated for each depository by escrow, settlement or closing in the records of the title insurance agent in a manner that permits the funds to be identified on an individual basis;

(2) the funds shall be applied only in accordance with the terms of the individual instructions or agreements under which the funds were accepted; and

(3) an agent shall not retain any interest on any money held in an interest-bearing account without the written consent of all parties to the transaction.

(b) Funds held in an escrow account shall be disbursed only:

(1) Pursuant to written authorization of buyer and seller;

(2) pursuant to a court order; or

(3) when a transaction is closed according to the agreement of the parties.

(c) A title insurance agent shall not commingle the agent's personal funds or other moneys with escrow funds. In addition, the agent shall not use escrow funds to pay or to indemnify against the debts of the agent or of any other party. The escrow funds shall be used only to fulfill the terms of the individual escrow and none of the funds shall be utilized until the necessary conditions of the escrow have been met. All funds deposited for real estate closings, including closings involving refinances of existing mortgage loans, which exceed \$2,500 shall be in one of the following forms:

(1) Lawful money of the United States;

(2) wire transfers such that the funds are unconditionally received by the title insurance agent or the agent's depository;

(3) cashier's checks, certified checks, teller's checks or bank money orders issued by a federally insured financial institution and unconditionally held by the title insurance agent;

(4) funds received from governmental entities, federally chartered instrumentalities of the United States or drawn on an escrow account of a real estate broker licensed in the state or drawn on an escrow account of a title insurer or title insurance agent licensed to do business in the state; ~~or~~

(5) other negotiable instruments ~~which that~~ have been on deposit in the escrow account at least 10 days; or

(6) a real-time or instant payment through the FedNow service operated by the federal reserve banks or the clearing house payment company's real-time payments (RTP) system.

(d) Each title insurance agent shall have an annual audit made of its escrow, settlement and closing deposit accounts, conducted by a certified public accountant or by a title insurer for which the title insurance agent has a licensing agreement. The title insurance agent shall provide a copy of the audit report to the commissioner within 30 days after the close of the calendar year for which an audit is required. Title insurance agents who are attorneys and who issue title insurance policies as part of their legal

representation of clients are exempt from the requirements of this subsection. However, the title insurer, at its expense, may conduct or cause to be conducted an annual audit of the escrow, settlement and closing accounts of the attorney. Attorneys who are exclusively in the business of title insurance are not exempt from the requirements of this subsection.

(e) The commissioner may promulgate rules and regulations setting forth the standards of the audit and the form of audit report required.

(f) If the title insurance agent is appointed by two or more title insurers and maintains fiduciary trust accounts in connection with providing escrow and closing settlement services, the title insurance agent shall allow each title insurer reasonable access to the accounts and any or all of the supporting account information in order to ascertain the safety and security of the funds held by the title insurance agent.

(g) Nothing in this section is intended to amend, alter or supersede other laws of this state or the United States, regarding an escrow holder's duties and obligations.

Sec. 7. K.S.A. 40-5801 is hereby amended to read as follows: 40-5801. The provisions of K.S.A. 40-5801 through 40-5804, and amendments thereto, and section 2, and amendments thereto, shall be known and may be cited as the electronic notice and document act.

Sec. 8. K.S.A. 40-5803 is hereby amended to read as follows: 40-5803. For the purposes of this act:

(a) "Delivered by electronic means" includes:

(1) Delivery to an electronic mail address at which a party has consented to receive notices or documents; or

(2) posting on an electronic network or site accessible via the internet, mobile application, computer, mobile device, tablet or any other electronic device, together with separate notice of the posting, which shall be provided by electronic mail to the address at which the party has consented to receive notice or by any other delivery method that has been consented to by the party.

(b) "Party" means any recipient of any notice or document required as part of an insurance transaction, including, but not limited to, an applicant, an insured, a policyholder or an annuity contract holder. "Party" does not include a "health benefit plan covered person."

(c) "Health benefit plan" means the same as in K.S.A. 40-4602, and amendments thereto. "Health benefit plan" shall also include any:

(1) Individual health insurance policy;

(2) individual or group dental insurance policy; or

(3) nonprofit dental services corporation.

(d) "Health benefit plan covered person" means a policyholder, subscriber, enrollee or other individual participating in a health benefit plan.

(e) "Insured" means an individual who is covered by an insurance policy, including a health benefit plan.

(f) "Nonprofit dental services corporation" means a nonprofit corporation organized pursuant to the nonprofit dental service corporation act, K.S.A. 40-19a01 et seq., and amendments thereto.

(g) "Plan sponsor" means the:

(1) Employer in the case of an employee benefit plan established or maintained by a single employer;

(2) employee organization in the case of a plan established or maintained by an employee organization; or

(3) association, committee, joint board of trustees or similar group of representatives of the parties who establish or maintain the plan in the case of a plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations.

Sec. 9. K.S.A. 40-5804 is hereby amended to read as follows: 40-5804. (a) Subject to subsection (c) or section 2, and amendments thereto, any notice to a party or any other document required under applicable law in an insurance transaction or that is to serve as evidence of insurance coverage may be delivered, stored and presented by electronic means so long as it meets the requirements of this act.

(b) Delivery of a notice or document in accordance with this section shall be considered equivalent to any delivery method required under applicable law, including delivery by first class mail; first class mail, postage prepaid; certified mail; certificate of mail; or certificate of mailing.

(c) A notice or document may be delivered by electronic means by an insurer to a party under this section if:

(1) The party has affirmatively consented to that method of delivery and has not withdrawn the consent;

(2) the party, before giving consent, is provided with a clear and conspicuous statement informing the party of:

(A) Any right or option of the party to have the notice or document provided or made available in paper or another non-electronic form;

(B) the right of the party to withdraw consent to have a notice or document delivered by electronic means and any fees, conditions or consequences imposed in the event consent is withdrawn;

(C) whether the party's consent applies: (i) Only to the particular transaction as to which the notice or document must be given; or (ii) to identified categories of notices or documents that may be delivered by electronic means during the course of the parties' relationship;

(D) (i) the means, after consent is given, by which a party may obtain a paper copy of a notice or document delivered by electronic means; and (ii) the fee, if any, for the paper copy; and

(E) the procedure a party must follow to withdraw consent to have a notice or document delivered by electronic means and to update information needed to contact the party electronically;

(3) the party, before giving consent, is provided with a statement of the hardware and software requirements for access to and retention of a notice or document delivered by electronic means; and consents electronically, or confirms consent electronically, in a manner that reasonably demonstrates that the party can access information in the electronic form that will be used for notices or documents delivered by electronic means as to which the party has given consent; and

(4) after consent of the party is given, the insurer, in the event a change in the hardware or software requirements needed to access or retain a notice or document delivered by electronic means creates a material risk that the party will not be able to access or retain a subsequent notice or document to which the consent applies, provides the party with a statement of: (A) The revised hardware and software requirements for

access to and retention of a notice or document delivered by electronic means; and (B) the right of the party to withdraw consent without the imposition of any fee, condition, or consequence that was not disclosed under subsection (c)(2).

(d) This act does not affect requirements related to content or timing of any notice or document required under applicable law.

(e) If a provision of this act or applicable law requiring a notice or document to be provided to a party or health benefit plan covered person expressly requires verification or acknowledgment of receipt of the notice or document, the notice or document may be delivered by electronic means only if the method used provides for verification or acknowledgment of receipt.

(f) The legal effectiveness, validity, or enforceability of any contract or policy of insurance executed by a party or health benefit plan covered person may not be denied solely because of the failure to obtain electronic consent or confirmation of consent of the party in accordance with subsection (c)(3) or section 2, and amendments thereto.

(g) A withdrawal of consent by a party ~~does~~ or health benefit plan covered person shall not affect the legal effectiveness, validity, or enforceability of a notice or document delivered by electronic means to the party or health benefit plan covered person before the withdrawal of consent is effective. A withdrawal of consent by a party or health benefit plan covered person is effective within a reasonable period of time after receipt of the withdrawal by the insurer. Failure by an insurer to comply with subsection (c)(4) may be treated, at the election of the party or health benefit plan covered person, as a withdrawal of consent for purposes of this section.

(h) This section does not apply to a notice or document delivered by an insurer in an electronic form before the effective date of this act to a party or health benefit plan covered person who, before that date, has consented to receive a notice or document in an electronic form otherwise allowed by law.

(i) If the consent of a party to receive certain notices or documents in an electronic form is on file with an insurer before the effective date of this act, and pursuant to this section, an insurer intends to deliver additional notices or documents to such party in an electronic form, then prior to delivering such additional notices or documents electronically, the insurer shall notify the party of the notices or documents that may be delivered by electronic means under this section that were not previously delivered electronically and the party's right to withdraw consent to have notices or documents delivered by electronic means.

(j) Notwithstanding any other provisions of this section, insurance policies and endorsements that do not contain personally identifiable information may be mailed, delivered or posted on the insurer's website. If the insurer elects to post insurance policies and endorsements on its website in lieu of mailing or delivering such policies and endorsements to the insured, such insurer shall comply with all of the following conditions:

(1) The policy and endorsements shall be easily accessible and remain that way for as long as the policy is in force;

(2) after the expiration of the policy, the insurer shall archive its expired policies and endorsements for five years and make them available upon request;

(3) the policies and endorsements shall be posted in a manner that enables the insured to print and save the policy and endorsements using programs or applications that are widely available on the internet and free to use;

(4) the insurer shall provide notice, at the time of issuance of the initial policy forms and any renewal forms, of a method by which insureds may obtain, upon request and without charge, a paper or electronic copy of their policy or endorsements;

(5) on each declarations page issued to an insured, the insurer shall clearly identify the exact policy and endorsement forms purchased by the insured; and

(6) the insurer shall provide notice of any changes to the forms or endorsements, and of the insured's right to obtain, upon request and without charge, a paper or electronic copy of such forms or endorsements.

(k) Except as otherwise provided by law, if an oral communication or a recording of an oral communication from a party can be reliably stored and reproduced by an insurer, the oral communication or recording may qualify as a notice or document delivered by electronic means for purposes of this section. If a provision of this title or applicable law requires a signature or notice or document to be notarized, acknowledged, verified or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by the provision, is attached to or logically associated with the signature, notice or document.

(l) This section shall not affect any obligation of the insurer to provide notice to any person other than the insured of any notice provided to the insured.

(m) This section shall not be construed to modify, limit or supersede the provisions of the federal electronic signatures in global and national commerce act, public law 106-229, or the provisions of the uniform electronic transactions act, K.S.A. 16-1601 et seq., and amendments thereto.

(n) The provisions of the electronic notice and document act shall not apply to any mutual insurance company organized pursuant to article 12a of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(o) The provisions of this section shall not apply to the electronic delivery of explanation of benefits and policies, including federally required summary of benefit and coverage documents, to a party by a health benefit plan.

Sec. 10. K.S.A. 44-584 is hereby amended to read as follows: 44-584. (a) The application for a new certificate shall be signed by the trustees of the trust fund created by the pool. Any application for a renewal of an existing certificate shall meet at least the standards established in K.S.A. 44-582(a)(6) through (a)(14), and amendments thereto. After evaluating the application the commissioner shall notify the applicant that the plan submitted is approved or conversely, if the plan submitted is inadequate, the commissioner shall then fully explain to the applicant what additional requirements must be met. If the application is denied, the applicant shall have 15 days to make an application for hearing by the commissioner after service of the denial notice. The hearing shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

(b) An approved certificate of authority shall remain in full force and effect until such certificate is suspended or revoked by the commissioner. An existing pool operating under an approved certificate of authority must file with the commissioner, within 120 days following the close of the pool's fiscal year, a current financial statement on a form approved by the commissioner showing the financial ability of the pool to meet its obligations under the worker compensation act and confirmation of specific and aggregate excess insurance as required by law for the pool. If an existing

pool's certificate of authority is suspended or revoked, such pool shall have the same rights to a hearing by the commissioner as for applicants for new certificates of authority as set forth in subsection (a).

(c) Whenever the commissioner shall deem it necessary the commissioner may make, or direct to be made, an examination of the affairs and financial condition of any pool. Each pool shall submit a certified independent audited financial statement ~~no not~~ later than ~~150~~ 180 days after the end of the pool's fiscal year. The financial statement shall include outstanding reserves for claims and for claims incurred but not reported. Each pool shall file payroll records, accident experience and compensation reports and such other reports and statements at such times and in such manner as the commissioner shall require. Whenever it appears to the commissioner from such examination or other satisfactory evidence that the solvency of any such pool is impaired, or that it is doing business in violation of any of the laws of this state, or that its affairs are in an unsound condition so as to endanger its ability to pay or cause to be paid the compensation in the amount, manner and time due as provided for in the Kansas workers compensation act, the commissioner shall, before filing such report or making the same public, grant such pool upon reasonable notice a hearing in accordance with the provisions of the Kansas administrative procedure act, and, if on such hearing the report be confirmed, the commissioner shall suspend the certificate of authority for such pool until its solvency shall have been fully restored and the laws of the state fully complied with. The commissioner may, if there is an unreasonable delay in restoring the solvency of such pool and in complying with the law, revoke the certificate of authority of such pool to do business in this state. Upon revoking any such certificate the commissioner shall communicate the fact to the attorney general, whose duty it shall be to commence and prosecute an action in the proper court to dissolve such pool or to enjoin the same from doing or transacting business in this state. The commissioner of insurance may call a hearing under K.S.A. 40-222b, and amendments thereto, and the provisions shall apply to group workers compensation pools.

Sec. 11. K.S.A. 44-590 is hereby amended to read as follows: 44-590. (a) After the inception date of the group-funded workers' compensation pool, prospective new members of the pool shall submit an application for membership to the board of trustees or its administrator. The trustees may approve the application for membership pursuant to the bylaws of the pool. The application for membership and approval shall then be filed with the commissioner. Membership takes effect after approval.

(b) Individual members may elect to terminate their participation in a pool or be subject to cancellation by the pool pursuant to the bylaws of the pool. On termination or cancellation of a member, the pool shall ~~notify the commissioner within 10 days and shall~~ maintain coverage of each cancelled or terminating member for 30 days ~~after notice to the commissioner~~ or until ~~the commissioner~~ such cancelled or terminating member gives notice that the cancelled or terminating member has procured workers' compensation and employer's liability insurance, whichever occurs first.";

Also on page 3, in line 28, after "K.S.A." by inserting "12-2620,"; also in line 28, by striking "is" and inserting ", 40-1137, 40-5801, 40-5802, 40-5803, 40-5804, 44-584 and 44-590 and K.S.A. 2023 Supp. 40-2c01 are"; in line 30, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "relating to examinations" and inserting

"updating certain terms, definitions and conditions relating to the requirements of certain insurance reports, examinations and transactions"; in line 6, after "premiums" by inserting "; increasing the deadline for submission of audited financial statements of certain group-funded insurance pools from 150 to 180 days after the end of the fiscal year; updating the version of risk-based capital instructions in effect; requiring certain utilization review entities to implement a prior authorization application programming interface; permitting a plan sponsor to authorize electronic delivery of plan documents and identification cards for certain insured individuals covered by a health benefit plan; allowing title insurance agents to submit escrow, settlement and closing funds through certain real-time or instant payment systems"; also in line 6, after "K.S.A." by inserting "12-2620,"; also in line 6, after "40-223" by inserting ", 40-1137, 40-5801, 40-5803, 40-5804, 44-584 and 44-590 and K.S.A. 2023 Supp. 40-2c01"; in line 7, by striking "section" and inserting "sections; also repealing K.S.A. 40-5802";

And your committee on conference recommends the adoption of this report.

BILL SUTTON

PATRICK PENN

CINDY NEIGHBOR

*Conferees on part of House*

JEFF LONGBINE

MICHAEL FAGG

CINDY HOLSCHER

*Conferees on part of Senate*

On motion of Rep. Sutton, the conference committee report on **SB 356** was adopted.

On roll call, the vote was: Yeas 118; Nays 5; Present but not voting: 0; Absent or not voting: 2.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Featherston, Francis, Garber, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Houglund, Howe, Howell, Howerton, Hoye, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Osman, Owens, Penn, Pickert, Poetter, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Carmichael, Carr, Martinez, Oropeza, Ousley.

Present but not voting: None.

Absent or not voting: Alcalá, Houser.

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 73** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 73, as follows:

On page 1, by striking all in lines 11 through 36;

By striking all on pages 2 through 17;

On page 18, by striking all in lines 1 through 16; following line 16, by inserting:

"Section 1. K.S.A. 2023 Supp. 72-5132 is hereby amended to read as follows: 72-5132. As used in the Kansas school equity and enhancement act, K.S.A. 72-5131 et seq., and amendments thereto:

(a) "Adjusted enrollment" means the enrollment of a school district, excluding the remote enrollment determined pursuant to K.S.A. 2023 Supp. 72-5180, and amendments thereto, adjusted by adding the following weightings, if any, to the enrollment of a school district: At-risk student weighting; bilingual weighting; career technical education weighting; high-density at-risk student weighting; high enrollment weighting; low enrollment weighting; school facilities weighting; ancillary school facilities weighting; cost-of-living weighting; special education and related services weighting; and transportation weighting.

(b) "Ancillary school facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5158, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

(c) (1) "At-risk student" means a student who is eligible for free meals under the national school lunch act, and who is enrolled in a school district that maintains an approved at-risk student assistance program.

(2) "At-risk student" does not include any student enrolled in any of the grades one through 12 who is in attendance less than full time, or any student who is over 19 years of age. The provisions of this paragraph shall not apply to any student who has an individualized education program.

(d) "At-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5151(a), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.

(e) "Base aid for student excellence" or "BASE aid" means an amount appropriated by the legislature in a fiscal year for the designated year. The amount of BASE aid shall be as follows:

(1) For school year 2018-2019, \$4,165;

(2) for school year 2019-2020, \$4,436;

(3) for school year 2020-2021, \$4,569;

(4) for school year 2021-2022, \$4,706;

(5) for school year 2022-2023, \$4,846; and

(6) for school year 2023-2024, and each school year thereafter, the BASE aid shall be the BASE aid amount for the immediately preceding school year plus an amount equal to the average percentage increase in the consumer price index for all urban

consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor during the three immediately preceding school years rounded to the nearest whole dollar amount.

(f) "Bilingual weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5150, and amendments thereto, on the basis of costs attributable to the maintenance of bilingual educational programs by such school districts.

(g) "Board" means the board of education of a school district.

(h) "Budget per student" means the general fund budget of a school district divided by the enrollment of the school district.

(i) "Categorical fund" means and includes the following funds of a school district: Adult education fund; adult supplementary education fund; at-risk education fund; bilingual education fund; career and postsecondary education fund; driver training fund; educational excellence grant program fund; extraordinary school program fund; food service fund; parent education program fund; preschool-aged at-risk education fund; professional development fund; special education fund; and summer program fund.

(j) "Cost-of-living weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5159, and amendments thereto, on the basis of costs attributable to the cost of living in such school districts.

(k) "Current school year" means the school year during which state foundation aid is determined by the state board under K.S.A. 72-5134, and amendments thereto.

(l) (1) "Enrollment" means, except as provided in K.S.A. 2023 Supp. 72-5180, and amendments thereto, whichever is the greater of:

(+) (A) The number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the current school year plus the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year;

(B) the number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the preceding school year plus the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year, except a student who is a foreign exchange student shall not be counted unless such student is regularly enrolled in the school district on September 20 and attending kindergarten or any of the grades one through 12 maintained by the school district for at least one semester or two quarters, or the equivalent thereof.

(2) If the enrollment in a school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means the sum of:

(A) the enrollment in the second preceding school year, excluding students under paragraph (2)(B), minus enrollment in the preceding school year of preschool-aged at-risk students, if any, plus enrollment in the current school year of preschool-aged at-risk students, if any; and

(B) the adjusted enrollment in the second preceding school year of any students participating in the tax credit for low income students scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the preceding school year, if any, plus the adjusted enrollment in the preceding school year of preschool-aged at-risk students who are participating in the tax credit for low income students scholarship

program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the current school year, if any;

~~(3)(C)~~ for any school district that has a military student, as that term is defined in K.S.A. 72-5139, and amendments thereto, enrolled in such district, and that received federal impact aid for the preceding school year, if the enrollment in such school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means whichever is the greater of:

~~(A)(i)~~ The enrollment amounts determined under ~~paragraph (2)~~ subparagraphs (A) or (B); or

~~(B)(ii)~~ the sum of ~~the enrollment in the preceding school year of the number of~~ preschool-aged at-risk students regularly enrolled in the school district on September 20 of the preceding school year, if any; and the arithmetic mean of the sum of:

~~(i)(a)~~ The enrollment of the number of students regularly enrolled in kindergarten and grades one through 12 in the school district in on September 20 of the preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any;

~~(ii)(b)~~ the enrollment in the number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the second preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any; and

~~(iii)(c)~~ the enrollment in the number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the third preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any; or

(D) for school year 2024-2025, the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year and the arithmetic mean of the sum of:

(i) The number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the preceding school year; and

(ii) the number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the second preceding school year.

~~(4)(2)~~ The ~~When~~ enrollment is determined under paragraph (1), ~~(2) or (3)~~, ~~except~~ if the school district begins to offer kindergarten on a full-time basis in such school year, students regularly enrolled in kindergarten in the school district in the preceding school year shall be counted as one student regardless of actual attendance during such preceding school year.

(3) A foreign exchange student shall not be counted in the enrollment of a school district unless such student was regularly enrolled on September 20 and attending kindergarten or any of the grades one through 12 maintained by the district for at least one semester or two quarters, or the equivalent thereof.

(m) "February 20" has its usual meaning, except that in any year in which February 20 is not a day on which school is maintained, it means the first day after February 20 on which school is maintained.

(n) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a school district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations

therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.

(o) "General fund" means the fund of a school district from which operating expenses are paid and in which is deposited all amounts of state foundation aid provided under this act, payments under K.S.A. 72-528, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program and such other moneys as are provided by law.

(p) "General fund budget" means the amount budgeted for operating expenses in the general fund of a school district.

(q) "High-density at-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5151(b), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.

(r) "High enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5149(b), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(s) "Juvenile detention facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.

(t) "Local foundation aid" means the sum of the following amounts:

(1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and authorized to be expended for the purposes specified in K.S.A. 72-5168, and amendments thereto;

(2) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, prior to their repeal;

(3) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 72-3123(a), and amendments thereto;

(4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 72-3125, and amendments thereto;

(5) an amount equal to the amount credited to the general fund in the current school year from moneys distributed in such school year to the school district under the provisions of articles 17 and 34 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto, and under the provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto;

(6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 72-3423, and amendments thereto; and

(7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 72-3425, and amendments thereto.

(u) "Low enrollment weighting" means an addend component assigned to the

enrollment of school districts pursuant to K.S.A. 72-5149(a), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(v) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a school district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 72-5168, and amendments thereto.

(w) "Preceding school year" means the school year immediately before the current school year.

(x) "Preschool-aged at-risk student" means an at-risk student who has attained the age of three years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines governing the selection of students for participation in head start programs.

(y) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten. "Exceptional children" and "gifted children" mean the same as those terms are defined in K.S.A. 72-3404, and amendments thereto.

(z) "Psychiatric residential treatment facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.

(aa) (1) "Remote enrollment" means the number of students regularly enrolled in kindergarten and grades one through 12 in the school district who attended school through remote learning in excess of the remote learning limitations provided in K.S.A. 2023 Supp. 72-5180, and amendments thereto.

(2) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(bb) (1) "Remote learning" means a method of providing education in which the student, although regularly enrolled in a school district, does not physically attend the attendance center such student would otherwise attend in person on a full-time basis and curriculum and instruction are prepared, provided and supervised by teachers and staff of such school district to approximate the student learning experience that would take place in the attendance center classroom.

(2) "Remote learning" does not include virtual school as such term is defined in K.S.A. 72-3712, and amendments thereto.

(3) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(cc) "School district" means a school district organized under the laws of this state that is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-3115, and amendments thereto.

(dd) "School facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5156, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

(ee) "School year" means the 12-month period ending June 30.

(ff) "September 20" has its usual meaning, except that in any year in which September 20 is not a day on which school is maintained, it means the first day after September 20 on which school is maintained.

(gg) "Special education and related services weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5157,

and amendments thereto, on the basis of costs attributable to the maintenance of special education and related services by such school districts.

(hh) "State board" means the state board of education.

(ii) "State foundation aid" means the amount of aid distributed to a school district as determined by the state board pursuant to K.S.A. 72-5134, and amendments thereto.

(jj) (1) "Student" means any person who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 maintained by the school district or who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 in another school district in accordance with an agreement entered into under authority of K.S.A. 72-13,101, and amendments thereto, or who is regularly enrolled in a school district and attending special education services provided for preschool-aged exceptional children by the school district.

(2) (A) Except as otherwise provided in this subsection, the following shall be counted as one student:

(i) A student in attendance ~~full-time~~ full time; and

(ii) a student enrolled in a school district and attending special education and related services, provided for by the school district.

(B) The following shall be counted as  $\frac{1}{2}$  student:

(i) A student enrolled in a school district and attending special education and related services for preschool-aged exceptional children provided for by the school district; and

(ii) a preschool-aged at-risk student enrolled in a school district and receiving services under an approved at-risk student assistance plan maintained by the school district.

(C) A student in attendance part-time shall be counted as that proportion of one student, to the nearest  $\frac{1}{10}$ , that the student's attendance bears to full-time attendance.

(D) A student enrolled in and attending an institution of postsecondary education that is authorized under the laws of this state to award academic degrees shall be counted as one student if the student's postsecondary education enrollment and attendance together with the student's attendance in either of the grades 11 or 12 is at least  $\frac{5}{6}$  time, otherwise the student shall be counted as that proportion of one student, to the nearest  $\frac{1}{10}$ , that the total time of the student's postsecondary education attendance and attendance in grades 11 or 12, as applicable, bears to full-time attendance.

(E) A student enrolled in and attending a technical college, a career technical education program of a community college or other approved career technical education program shall be counted as one student, if the student's career technical education attendance together with the student's attendance in any of grades nine through 12 is at least  $\frac{5}{6}$  time, otherwise the student shall be counted as that proportion of one student, to the nearest  $\frac{1}{10}$ , that the total time of the student's career technical education attendance and attendance in any of grades nine through 12 bears to full-time attendance.

(F) A student enrolled in a school district and attending a non-virtual school and also attending a virtual school shall be counted as that proportion of one student, to the nearest  $\frac{1}{10}$ , that the student's attendance at the non-virtual school bears to full-time attendance.

(G) A student enrolled in a school district and attending special education and related services provided for by the school district and also attending a virtual school

shall be counted as that proportion of one student, to the nearest  $\frac{1}{10}$ , that the student's attendance at the non-virtual school bears to full-time attendance.

(H) A student enrolled in a school district and attending school on a part-time basis through remote learning and also attending school in person on a part-time basis shall be counted as that proportion of one student, to the nearest  $\frac{1}{10}$ , that the student's in-person attendance bears to full-time attendance.

(I) A student enrolled in a school district who is not a resident of Kansas shall be counted as  $\frac{1}{2}$  of a student.

This subparagraph shall not apply to:

(i) A student whose parent or legal guardian is an employee of the school district where such student is enrolled; or

(ii) a student who attended public school in Kansas during school year 2016-2017 and who attended public school in Kansas during the immediately preceding school year.

(3) The following shall not be counted as a student:

(A) An individual residing at the Flint Hills job corps center;

(B) except as provided in paragraph (2), an individual confined in and receiving educational services provided for by a school district at a juvenile detention facility; and

(C) an individual enrolled in a school district but housed, maintained and receiving educational services at a state institution or a psychiatric residential treatment facility.

(4) A student enrolled in virtual school pursuant to K.S.A. 72-3711 et seq., and amendments thereto, shall be counted in accordance with the provisions of K.S.A. 72-3715, and amendments thereto.

(5) A student enrolled in a school district who attends school through remote learning shall be counted in accordance with the provisions of this section and K.S.A. 2023 Supp. 72-5180, and amendments thereto.

(kk) "Total foundation aid" means an amount equal to the product obtained by multiplying the BASE aid by the adjusted enrollment of a school district.

(ll) "Transportation weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5148, and amendments thereto, on the basis of costs attributable to the provision or furnishing of transportation.

(mm) "Virtual school" means the same as such term is defined in K.S.A. 72-3712, and amendments thereto.";

Also on page 18, in line 17, by striking all after "K.S.A."; in line 18, by striking all before "hereby" and inserting "2023 Supp. 72-5132 is";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 through 7; in line 8, by striking all before the period and inserting "education; relating to the Kansas school equity and enhancement act; requiring school district enrollment to be determined using the current school year or preceding school year enrollment; amending K.S.A. 2023 Supp. 72-5132 and repealing the existing section";

And your committee on conference recommends the adoption of this report.

ADAM THOMAS  
SUSAN ESTES  
JERRY STOGSDILL

*Conferees on part of House*

MOLLY BAUMGARDNER  
RENEE ERICKSON  
DINAH SYKES

*Conferees on part of Senate*

On motion of Rep. Thomas, the conference committee report on **H Sub for SB 73** was adopted.

On roll call, the vote was: Yeas 120; Nays 3; Present but not voting: 0; Absent or not voting: 2.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Featherston, Francis, Garber, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Hougland, Howe, Howell, Howerton, Hoyer, Humphries, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neely, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Penn, Pickert, Poetter, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, L., Winn, Woodard, Xu, Younger.

Nays: Fairchild, Jacobs, Williams, K..

Present but not voting: None.

Absent or not voting: Alcalá, Houser.

## CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 438** submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

ADAM THOMAS  
SUSAN ESTES

*Conferees on part of House*

MOLLY BAUMGARDNER  
RENEE ERICKSON  
DINAH SYKES

*Conferees on part of Senate*

On motion of Rep. Thomas the conference committee report on **SB 438** to agree to disagree, was adopted.

Speaker pro tem Carpenter thereupon appointed Reps. Thomas, Estes and Stogsdill as second conferees on the part of the House.

### **CHANGE OF CONFEREES**

Reps. Thomas, Estes, and Stogsdill are appointed to replace Reps. Sutton, Penn, and Neighbor as members of the conference committee on **SB 19**.

On motion of Rep. Croft, the House recessed until 5:00 p.m.

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### EARLY EVENING SESSION

The House met pursuant to recess with Speaker pro tem Carpenter in the chair.

### **MESSAGES FROM THE SENATE**

The Senate adopts the Conference Committee report on **SB 455**.

The Senate announced the appointment of Senators Peck, Claeys and Holland to replace Senators Longbine, Fagg and Holscher as confereese on **HB 2097**.

The Senate adopts the Conference Committee report to agree to disagree on **SB 438**, and has appointed Senators Baumgardner, Erickson and Sykes as Second conferees on the part of the Senate.

The Senate adopts the Conference Committee report to agree to disagree on **S Sub for HB 2070**, and has appointed Senators Warren, Wilborn and Corson as Second conferees on the part of the Senate.

The Senate adopts the Conference Committee report on **S Sub HB 2036**.

The Senate announced the appointment of Senators Erickson, Dietrich and Sykes to replace Senators Longbine, Fagg and Holscher as senate conferees on **SB 19**.

The Senate adopts the Conference Committee report on **SB 359**.

The Senate adopts the Conference Committee report on **HB 2532**.

The Senate adopts the Conference Committee report on **HB 2560**.

The Senate adopts the Conference Committee report on **HB 2711**.

The Senate adopts the Conference Committee report on **HB 2787**.

### **CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 115** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 7 through 36;

On page 2, by striking all in lines 1 through 13; following line 13, by inserting:

"New Section 1. (a) Sections 1 through 6, and amendments thereto, shall be known and may be cited as the child advocate act.

- (b) As used in the child advocate act:
- (1) "Child" means any individual under 18 years of age who:
    - (A) Is in the custody of the secretary for children and families;
    - (B) may be alleged to be a child in need of care as provided in K.S.A. 38-2201 et seq., and amendments thereto;
    - (C) is alleged to be a child in need of care as provided in K.S.A. 38-2201 et seq.; or
    - (D) is currently or was receiving services or treatment from the department of corrections within the previous five years; and
  - (2) "office" means the office of the child advocate and includes the child advocate and staff.

New Sec. 2. (a) There is hereby established the office of the child advocate, the head of which shall be the child advocate. In the performance of the powers, duties and functions prescribed by law, the office shall be an independent state agency. The child advocate shall be appointed by the governor and subject to confirmation by the senate as provided by K.S.A. 75-4315b, and amendments thereto.

(b) (1) Except as provided by K.S.A. 46-2601, and amendments thereto, no person appointed to the position of the child advocate shall exercise any power, duty or function of the child advocate until confirmed by the senate. The child advocate shall be selected without regard to political affiliation and on the basis of integrity and capacity for effectively carrying out the duties of the office. The child advocate shall be an individual with extensive experience in the practice of case management, clinical services or legal services to children and families involved in the child welfare system.

(2) No former or current executive or manager of any program or agency or contracting entity subject to oversight by the office may be appointed to the position of the child advocate within 12 months of the end of that individual's period of service with such program or agency.

(3) A person appointed to the position of the child advocate shall serve for a term of five years or until a successor has been appointed and confirmed.

(4) The child advocate shall be in the unclassified service and shall receive an annual salary in an amount equal to the annual salary paid by the state to a district court judge.

(5) The child advocate shall exercise independent judgment in carrying out the duties of the office.

(c) (1) Subject to this subsection, the child advocate shall have general managerial control over the office of the child advocate and shall establish the organizational structure of the office as the child advocate deems appropriate to carry out the responsibilities and functions of the office.

(2) All budgeting, purchasing, personnel and related administrative functions of the office shall be administered under the direction and supervision of the child advocate.

(3) Within the limits of appropriations therefor, the child advocate may hire such employees in the unclassified service as are necessary to administer the office. Such

employees shall serve at the pleasure of the child advocate. Subject to appropriations and this subsection, the child advocate may obtain the services of other professionals necessary to independently perform the functions of the office, including obtaining legal services as provided by K.S.A. 75-769, and amendments thereto.

(4) The child advocate may enter into agreements with the secretary of administration for the provision of personnel, facility management and information technology services.

New Sec. 3. (a) The purpose of the office of the child advocate is to ensure that children and families receive adequate coordination of child welfare services for child protection and care through services offered by the Kansas department for children and families or the department's contracting entities, the department for aging and disability services, the department of corrections, the department of health and environment and juvenile courts.

(b) The office shall receive and resolve complaints that allege the Kansas department for children and families or an entity contracting with the department, by act or omission, has provided inadequate protection or care of children, failed to protect the physical or mental health, safety or welfare of any child or failed to follow established laws, rules and regulations or written policies. The child advocate shall:

(1) Establish and implement procedures for receiving, processing, responding to and resolving complaints made by or on behalf of children that relate to state agencies, service providers, including contractors and subcontractors, and any juvenile court that adversely affect or may adversely affect the health, safety and welfare of such children;

(2) provide the Kansas department for children and families with a notice of availability that describes the office and procedures for contacting the office. The department shall ensure such notice is prominently posted in department offices and facilities receiving public moneys for the care and placement of children;

(3) maintain a publicly available website;

(4) publicize and notify individuals of the office's services, purpose and contact information;

(5) compile, collect and preserve a record of complaints received and processed that may reveal concerning patterns to be addressed; and

(6) make recommendations for changes to policies, procedures or adopted or proposed rules and regulations of any state or local agency that adversely affect or may adversely affect the health, safety and welfare of any child.

(c) The office shall independently investigate complaints received pursuant to subsection (b) if the office reasonably believes the complaint's allegations may be independently verified through an investigation. To investigate, the office shall:

(1) Establish and implement procedures for investigating complaints;

(2) have access to the following information related to complaints received:

(A) The names and physical location of all children in protective services, treatment or other programs under the jurisdiction of the Kansas department for children and families or the department of corrections;

- (B) all written reports of child abuse and neglect;
  - (C) all records as provided in K.S.A. 38-2201 et seq. and 38-2301 et seq., and amendments thereto; and
  - (D) all current records required to be maintained pursuant to articles 22 and 23 of chapter 38 of the Kansas Statutes Annotated, and amendments thereto;
- (3) communicate privately with the following persons or entities, after consultation with treatment professionals and service providers:
- (A) Any child or child's siblings; and
  - (B) anyone working with the child, including the family, relatives, employees of the Kansas department for children and families or the department of corrections and other persons or entities providing treatment and services;
  - (4) have access to, including the right to inspect and copy, relevant child records as identified for disclosure in K.S.A. 38-2201 et seq. and 38-2301 et seq., and amendments thereto;
  - (5) work in conjunction with juvenile intake and assessment workers, juvenile community corrections officers, guardians ad litem and court-appointed special advocates;
  - (6) take statements under oath and obtain judicial enforcement of compulsory processes; and
  - (7) subpoena materials and witnesses using the following procedures:
    - (A) When the office reasonably believes that materials or witnesses sought will assist in the investigation, the child advocate may issue a subpoena directing documents, reports or information to be delivered to the office at a specific time, date and place or directing a person to appear as a witness at a specific time, date and place. Such time and date shall not be sooner than seven days after the service of the subpoena, excluding Saturdays, Sundays, legal holidays and days on which the office of the clerk of the court is not accessible. The child advocate shall keep a copy of the subpoena in a special file maintained for that purpose;
    - (B) upon receiving service of a subpoena pursuant to this paragraph, the person or agency served shall give written notice of service to any person known to have a right to assert a privilege or assert a right of confidentiality in regard to the documents, reports or information sought at least five days before the date of delivery or appearance;
    - (C) any parent, child, guardian ad litem, person or entity subpoenaed or person or entity who claims a privilege or right of confidentiality may request in writing that the child advocate quash a subpoena issued pursuant to this paragraph. The request to quash the subpoena shall be filed with the office at least 24 hours prior to the specified time and date of delivery or appearance, excluding Saturdays, Sundays, legal holidays and days on which the office of the clerk of the court is not accessible, and a copy of the written request shall be given to the person subpoenaed at least 24 hours prior to the specified time and date of delivery or appearance; and
    - (D) if the child advocate does not quash the subpoena, the written request shall

automatically stay the operation of the subpoena until the child advocate obtains a court order for the subpoena to be honored, and the documents, reports or information requested shall not be delivered and the witness shall not appear. An appropriate district court may issue an order for the subpoena to be honored after the court has held a hearing to determine if the documents, reports or information are subject to the claimed privilege or right of confidentiality, and whether it is in the best interests of the child for the subpoena to be honored.

(d) To resolve complaints received pursuant to subsection (b), the office shall:

(1) Establish and implement procedures to resolve the complaints;

(2) independently review the subject of the complaint and after the initial review of the complaint and any accompanying material, the child advocate may recommend that a department or contracting entity:

(A) Consider the matter further;

(B) modify or cancel the department or contracting entity's actions;

(C) alter a rule, order or internal policy;

(D) explain the action further; or

(E) within a reasonable time after receiving a recommendation, provide the office information concerning the department or contracting entity action to implement or not implement recommendations made by the office pursuant to this paragraph;

(3) submit any findings or recommendations pursuant to paragraph (2) to the secretary for children and families or the secretary of corrections as appropriate;

(4) upon reason to believe a criminal investigation is warranted, make a referral of child abuse or neglect to an appropriate law enforcement agency with jurisdiction over the matter and notify the abuse, neglect and exploitation unit of the office of the attorney general; and

(5) produce reports of findings of fact or conclusions of law regarding any complaint, and, if appropriate, the attorney general may file such reports in any pending child in need of care case on behalf of the office.

(e) To assist the legislature in oversight of the child welfare system, the office may:

(1) Meet and discuss any matter in the scope of the child advocate act with the joint committee on child welfare system oversight in regular or executive session under the same duties of confidentiality provided for the child advocate;

(2) review relevant statutes, rules and regulations, policies and procedures for the health, safety and welfare of children;

(3) evaluate the effectiveness of and recommend changes to procedures for reports of child abuse and neglect for child protective services, including, but not limited to, the involvement of the Kansas department for children and families, service providers, guardians ad litem, court appointed special advocates and law enforcement agencies; and

(4) review and recommend changes to law enforcement investigative procedures

for and emergency responses to reports of abuse and neglect.

(f) (1) On or before the beginning of each regular session of the legislature, the office shall prepare and submit a report to the governor, the chief justice of the supreme court and the office of judicial administration, the secretary for children and families, the president of the senate, the speaker of the house of representatives, the joint committee on child welfare oversight, the house of representatives standing committee on child welfare and foster care, the senate standing committee on judiciary, or their successor committees, and any other relevant legislative committee.

(2) Such report shall include:

- (A) The number of complaints received by the office;
- (B) the disposition of such complaints;
- (C) the number of children involved in such complaints;
- (D) the outcome of such complaints;
- (E) any recommendations for changes in statute, policies, procedures or rules and regulations;

(F) the office's proposed annual budget; and

(G) any other topics that the office deems appropriate to properly perform the powers, duties and functions provided by the child advocate act.

(g) The annual budget request of the office shall be prepared by the child advocate. The child advocate shall submit an annual budget request to the division of budget. Such budget request shall be prepared and submitted in the manner provided by K.S.A. 75-3716 and 75-3717, and amendments thereto.

(h) To assist the office in the office's duties under the child advocate act, employees of the Kansas department for children and families, the department's contracting agencies, the department of corrections, juvenile intake and assessment workers, juvenile community corrections officers, guardians ad litem and court appointed special advocates shall:

(1) Work diligently, promptly and in good faith to assist the office in performing the office's powers, duties and functions provided by the child advocate act;

(2) provide full access to and production of records and information requested by the office in the office's duties provided by the act. Such access shall not be a violation of confidentiality of such records if provided and produced in good faith for the purposes of the act;

(3) require employees and contractors of such department or agency to comply with requests from the office in such office's duties provided by the act;

(4) allow employees of such department or agency to file a complaint with or provide records or information to the office without supervisory approval;

(5) not willfully interfere with or obstruct any of the office's duties provided by the act; and

(6) promptly meet and consult with the office upon request of the office.

New Sec. 4. (a) For any information obtained from a state agency or other entity under the child advocate act, the office shall be subject to the same state and federal statutory disclosure restrictions and confidentiality requirements that are applicable to the state agency or other entity providing such information to the office.

(b) Any files maintained by the office shall be confidential and disclosed only at the discretion of the child advocate, except that the identity of any complainant or child shall not be disclosed by the office unless:

(1) The complainant or child, respectively, or the complainant's or child's legal representative, consents in writing to such disclosure; or

(2) such disclosure is required by court order.

(c) (1) Any person who, without malice, participates in any complaint or information made or provided in good faith to the office shall have immunity from any civil liability that might otherwise be incurred or imposed. This paragraph shall not be construed to protect from suit or liability when caused by the intentional or willful or wanton misconduct of a person.

(2) The child advocate, the office and any employee of the office shall be immune from civil liability, either personally or in their official capacity, including, but not limited to, claims of damage to or loss of property or personal injury that are caused by or arising out of the performance of duties of the office. This paragraph shall not be construed to protect from suit or liability when caused by the intentional or willful or wanton misconduct of a person.

(3) Any statement or communication made by the child advocate, the office or any employee of the office relevant to a complaint being investigated by the office, whether oral or written, shall be privileged and shall not be disclosed to any person or entity, be admissible in any civil action, administrative proceeding or disciplinary board of this state, be subject to discovery, subpoena or other means of legal compulsion for their release to any person or entity or be admissible in evidence in any judicial or administrative proceeding, unless the child advocate is already a party to such proceedings.

(d) A representative of the office conducting or participating in any investigation of a complaint shall not knowingly disclose to any person other than the office, or a person authorized by the office, the name of any witness examined or any information obtained or given during such investigation. Violation of this subsection is a class A nonperson misdemeanor.

(e) When the office is conducting or has conducted an investigation of a complaint, the office shall disclose the final result of the investigation with the consent of the child or child's legal representative.

(f) The office shall not be required to testify in any court with respect to matters held to be confidential in this section, except as the court may deem necessary to enforce the provisions of the child advocate act or when otherwise required by court order.

(g) The provisions of this section providing for confidentiality of records shall expire on July 1, 2029, unless the legislature acts to continue such provisions. The

legislature shall review this section pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2029.

New Sec. 5. (a) (1) Except as provided by paragraph (2), no retaliatory action shall knowingly be taken against any child or employee of the Kansas department for children and families, an employee of the department's contracting agencies or the department of corrections for any communication made or information given to the office. Violation of this paragraph is a class A nonperson misdemeanor.

(2) Paragraph (1) shall not apply to an employee who discloses:

(A) Information that such employee knows to be false or information without regard for the truth or falsity of the information; or

(B) without lawful authority, information that is confidential as provided by any other provision of law.

(b) An employee of the office of the child advocate shall not knowingly disclose false information or disclose confidential information without lawful authority.

(c) As used in this section, "retaliatory action" includes, but is not limited to:

(1) Letters of reprimand or unsatisfactory performance evaluations;

(2) transfer;

(3) demotion;

(4) reduction in pay;

(5) denial of promotion;

(6) suspension;

(7) dismissal; and

(8) denial of employment.

New Sec. 6. Nothing in this act shall be construed to permit any governmental agency to exercise control or supervision over the child advocate or the office of the child advocate.

Sec. 7. K.S.A. 2023 Supp. 38-2211 is hereby amended to read as follows: 38-2211. (a) *Access to the official file.* The following persons or entities shall have access to the official file of a child in need of care proceeding pursuant to this code:

(1) The court having jurisdiction over the proceedings, including the presiding judge and any court personnel designated by the judge.

(2) The parties to the proceedings and their attorneys.

(3) The guardian ad litem for a child who is the subject of the proceeding.

(4) A court appointed special advocate for a child who is the subject of the proceeding or a paid staff member of a court appointed special advocate program.

(5) Any individual, or any public or private agency or institution, having custody of the child under court order or providing educational, medical or mental health services to the child or any placement provider or potential placement provider as determined by the secretary or court services officer.

(6) A citizen review board.

(7) The secretary of corrections or any agents designated by the secretary of corrections.

(8) Any county or district attorney from another jurisdiction with a pending child in need of care matter regarding any of the same parties.

(9) The office of the child advocate pursuant to the child advocate act.

~~(10) Any other person when authorized by a court order, subject to any conditions imposed by the order.~~

~~(10) The commission on judicial performance in the discharge of the commission's duties pursuant to article 32 of chapter 20 of the Kansas Statutes Annotated, and amendments thereto.~~

(11) An investigating law enforcement agency.

(b) *Access to the social file.* The following persons or entities shall have access to the social file of a child in need of care proceeding pursuant to this code:

(1) The court having jurisdiction over the proceeding, including the presiding judge and any court personnel designated by the judge.

(2) The attorney for a party to the proceeding or the person or persons designated by an Indian tribe that is a party.

(3) The guardian ad litem for a child who is the subject of the proceeding.

(4) A court appointed special advocate for a child who is the subject of the proceeding or a paid staff member of a court appointed special advocate program.

(5) A citizen review board.

(6) The secretary.

(7) The secretary of corrections or any agents designated by the secretary of corrections.

(8) Any county or district attorney from another jurisdiction with a pending child in need of care matter regarding any of the same parties or interested parties.

(9) The office of the child advocate pursuant to the child advocate act.

~~(10) Any other person when authorized by a court order, subject to any conditions imposed by the order.~~

~~(10)~~(11) An investigating law enforcement agency.

(c) *Preservation of records.* The Kansas state historical society shall be allowed to take possession for preservation in the state archives of any court records related to proceedings under the Kansas code for care of children whenever such records otherwise would be destroyed. No such records in the custody of the Kansas state historical society shall be disclosed directly or indirectly to anyone for 70 years after creation of the records, except as provided in subsections (a) and (b). Pursuant to subsections ~~(a)(9) and (b)(9)~~ (a)(10) and (b)(10), a judge of the district court may allow inspection for research purposes of any court records in the custody of the Kansas state historical society related to proceedings under the Kansas code for care of children.

Sec. 8. K.S.A. 2023 Supp. 38-2212 is hereby amended to read as follows: 38-2212.  
 (a) *Principle of appropriate access.* Information contained in confidential agency records concerning a child alleged or adjudicated to be in need of care may be disclosed as provided in this section and shall be disclosed as provided in subsection (e). Disclosure shall in all cases be guided by the principle of providing access only to persons or entities with a need for information that is directly related to achieving the purposes of this code.

(b) *Free exchange of information.* Pursuant to K.S.A. 38-2210, and amendments

thereto, the secretary and juvenile intake and assessment agencies shall participate in the free exchange of information concerning a child who is alleged or adjudicated to be in need of care.

(c) *Necessary access.* The following persons or entities shall have access to information from agency records. Access shall be limited to information reasonably necessary to carry out their lawful responsibilities, to maintain their personal safety and the personal safety of individuals in their care, or to educate, diagnose, treat, care for or protect a child alleged to be in need of care. Information authorized to be disclosed pursuant to this subsection shall not contain information that identifies a reporter of a child who is alleged or adjudicated to be a child in need of care.

(1) A child named in the report or records, a guardian ad litem appointed for the child and the child's attorney.

(2) A parent or other person responsible for the welfare of a child, or such person's legal representative.

(3) A court-appointed special advocate for a child, a citizen review board or other advocate that reports to the court.

(4) A person licensed to practice the healing arts or mental health profession in order to diagnose, care for, treat or supervise:

(A) A child whom such service provider reasonably suspects may be in need of care;

(B) a member of the child's family; or

(C) a person who allegedly abused or neglected the child.

(5) A person or entity licensed or registered by the secretary of health and environment or approved by the secretary for children and families to care for, treat or supervise a child in need of care.

(6) A coroner or medical examiner when such person is determining the cause of death of a child.

(7) The state child death review board established under K.S.A. 22a-243, and amendments thereto.

(8) An attorney for a private party who files a petition pursuant to K.S.A. 38-2233(b), and amendments thereto.

(9) A foster parent, prospective foster parent, permanent custodian, prospective permanent custodian, adoptive parent or prospective adoptive parent. In order to assist such persons in making an informed decision regarding acceptance of a particular child, to help the family anticipate problems that may occur during the child's placement, and to help the family meet the needs of the child in a constructive manner, the secretary shall seek and shall provide the following information to such persons as the information becomes available to the secretary:

(A) Strengths, needs and general behavior of the child;

(B) circumstances that necessitated placement;

(C) information about the child's family and the child's relationship to the family that may affect the placement;

(D) important life experiences and relationships that may affect the child's feelings, behavior, attitudes or adjustment;

(E) medical history of the child, including third-party coverage that may be available to the child; and

(F) education history, to include present grade placement, special strengths and

weaknesses.

(10) The state protection and advocacy agency as provided by K.S.A. 65-5603(a) (10) or ~~K.S.A.~~ 74-5515(a)(2)(A) and (B), and amendments thereto.

(11) Any educational institution to the extent necessary to enable the educational institution to provide the safest possible environment for its pupils and employees.

(12) Any educator to the extent necessary to enable the educator to protect the personal safety of the educator and the educator's pupils.

(13) The office of the child advocate pursuant to the child advocate act.

(14) Any other federal, state or local government executive branch entity or any agent of such entity, having a need for such information in order to carry out such entity's responsibilities under the law to protect children from abuse and neglect.

(d) *Specified access.* The following persons or entities shall have access to information contained in agency records as specified. Information authorized to be disclosed pursuant to this subsection shall not contain information that identifies a reporter of a child who is alleged or adjudicated to be a child in need of care.

(1) Information from confidential agency records of the Kansas department for children and families, a law enforcement agency or any juvenile intake and assessment worker of a child alleged or adjudicated to be in need of care shall be available to members of the standing house or senate committee on judiciary, house committee on corrections and juvenile justice, house committee on child welfare and foster care, house committee on appropriations, senate committee on ways and means, legislative post audit committee and any joint committee with authority to consider children's and families' issues, when carrying out such member's or committee's official functions in accordance with K.S.A. 75-4319, and amendments thereto, in a closed or executive meeting. Except in limited conditions established by  $\frac{2}{3}$  of the members of such committee, records and reports received by the committee shall not be further disclosed. Unauthorized disclosure may subject such member to discipline or censure from the house of representatives or senate. The secretary for children and families shall not summarize the outcome of department actions regarding a child alleged to be a child in need of care in information available to members of such committees.

(2) The secretary for children and families may summarize the outcome of department actions regarding a child alleged to be a child in need of care to a person having made such report.

(3) Information from confidential reports or records of a child alleged or adjudicated to be a child in need of care may be disclosed to the public when:

(A) The individuals involved or their representatives have given express written consent; or

(B) the investigation of the abuse or neglect of the child or the filing of a petition alleging a child to be in need of care has become public knowledge, provided, however, that the agency shall limit disclosure to confirmation of procedural details relating to the handling of the case by professionals.

(e) *Law enforcement access.* The secretary shall disclose confidential agency records of a child alleged or adjudicated to be a child in need of care, as described in K.S.A. 38-2209, and amendments thereto, to the law enforcement agency investigating the alleged or substantiated report or investigation of abuse or neglect, regardless of the disposition of such report or investigation. Such records shall include, but not be limited to, any information regarding such report or investigation, records of past reports or

investigations concerning such child and such child's siblings and the perpetrator or alleged perpetrator and the name and contact information of the reporter or persons alleging abuse or neglect and case managers, investigators or contracting ~~agency~~ entity employees assigned to or investigating such report. Such records shall only be used for the purposes of investigating the alleged or substantiated report or investigation of abuse or neglect.

(f) *Court order.* Notwithstanding the provisions of this section, a court of competent jurisdiction, after in camera inspection, may order disclosure of confidential agency records pursuant to a determination that the disclosure is in the best interests of the child who is the subject of the reports or that the records are necessary for the proceedings of the court. The court shall specify the terms of disclosure and impose appropriate limitations.

(g) (1) Notwithstanding any other provision of law to the contrary, except as provided in paragraph (6), in the event that child abuse or neglect results in a child fatality or near fatality, reports or records of a child alleged or adjudicated to be in need of care received by the secretary, a law enforcement agency or any juvenile intake and assessment worker shall become a public record and subject to disclosure pursuant to K.S.A. 45-215, and amendments thereto.

(2) Within seven days of receipt of a request in accordance with the procedures adopted under K.S.A. 45-220, and amendments thereto, the secretary shall notify any affected individual that an open records request has been made concerning such records. The secretary or any affected individual may file a motion requesting the court to prevent disclosure of such record or report, or any select portion thereof. Notice of the filing of such motion shall be provided to all parties requesting the records or reports, and such party or parties shall have a right to hearing, upon request, prior to the entry of any order on such motion. If the affected individual does not file such motion within seven days of notification, and the secretary has not filed a motion, the secretary shall release the reports or records. If such motion is filed, the court shall consider the effect such disclosure may have upon an ongoing criminal investigation, a pending prosecution, or the privacy of the child, if living, or the child's siblings, parents or guardians, and the public's interest in the disclosure of such records or reports. The court shall make written findings on the record justifying the closing of the records and shall provide a copy of the journal entry to the affected parties and the individual requesting disclosure pursuant to the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto.

(3) Notwithstanding the provisions of paragraph (2), in the event that child abuse or neglect results in a child fatality, the secretary shall release the following information in response to an open records request made pursuant to the Kansas open records act, within seven business days of receipt of such request, as allowed by applicable law:

- (A) Age and sex of the child;
- (B) date of the fatality;
- (C) a summary of any previous reports of abuse or neglect received by the secretary involving the child, along with the findings of such reports; and
- (D) any department recommended services provided to the child.

(4) Notwithstanding the provisions of paragraph (2), in the event that a child fatality occurs while such child was in the custody of the secretary for children and families, the secretary shall release the following information in response to an open

records request made pursuant to the Kansas open records act, within seven business days of receipt of such request, as allowed by applicable law:

- (A) Age and sex of the child;
- (B) date of the fatality; and
- (C) a summary of the facts surrounding the death of the child.

(5) For reports or records requested pursuant to this subsection, the time limitations specified in this subsection shall control to the extent of any inconsistency between this subsection and K.S.A. 45-218, and amendments thereto. As used in this section, "near fatality" means an act that, as certified by a person licensed to practice medicine and surgery, places the child in serious or critical condition.

(6) Nothing in this subsection shall allow the disclosure of reports, records or documents concerning the child and such child's biological parents that were created prior to such child's adoption. Nothing herein is intended to require that an otherwise privileged communication lose its privileged character.

Sec. 9. K.S.A. 38-2213 is hereby amended to read as follows: 38-2213. (a) *Principle of limited disclosure.* Information contained in confidential law enforcement records concerning a child alleged or adjudicated to be in need of care may be disclosed as provided in this section. Disclosure shall in all cases be guided by the principle of providing access only to persons or entities with a need for information that is directly related to achieving the purposes of this code.

(b) *Free exchange of information.* Pursuant to K.S.A. 38-2210, and amendments thereto, a law enforcement agency shall participate in the free exchange of information concerning a child who is alleged or adjudicated to be in need of care.

(c) *Access to information in law enforcement records.* In order to discharge their official duties, the following persons or entities shall have access to confidential law enforcement records concerning a child alleged or adjudicated to be in need of care.

(1) The court having jurisdiction over the proceedings, including the presiding judge and any court personnel designated by the judge.

(2) The secretary.

(3) ~~The commissioner of juvenile justice~~ secretary of corrections.

(4) Law enforcement officers or county or district attorneys or their staff.

(5) Any juvenile intake and assessment worker.

(6) Members of a court-appointed multidisciplinary team.

(7) The office of the child advocate pursuant to the child advocate act.

(8) Any other federal, state or local government executive branch entity, or any agent of such entity, having a need for such information in order to carry out such entity's responsibilities under law to protect children from abuse and neglect.

~~(8)(9)~~ (9) Persons or entities allowed access pursuant to ~~subsection (f)~~ of K.S.A. 38-2212~~(f)~~, and amendments thereto.

(d) *Necessary access.* The following persons or entities shall have access to information from law enforcement records when reasonably necessary to carry out their lawful responsibilities, to maintain their personal safety and the personal safety of individuals in their care, or to educate, diagnose, treat, care for or protect a child alleged or adjudicated to be in need of care. Information authorized to be disclosed in this subsection shall not contain information ~~which~~ that identifies a reporter of a child alleged or adjudicated to be a child in need of care.

(1) Any individual, or public or private agency authorized by a properly constituted

authority to diagnose, care for, treat or supervise a child who is the subject of a report or record of child abuse or neglect, including physicians, psychiatrists, nurses, nurse practitioners, psychologists, licensed social workers, child development specialists, physician assistants, community mental health workers, alcohol and drug abuse counselors, and licensed or registered child care providers.

(2) School administrators shall have access to but shall not copy law enforcement records and may disclose information to teachers, paraprofessionals and other school personnel as necessary to meet the educational needs of the child or to protect the safety of students and school employees.

(3) The department of health and environment or persons authorized by the department of health and environment pursuant to K.S.A. 65-512, and amendments thereto, for the purposes of carrying out responsibilities relating to licensure or registration of child care providers as required by article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

(e) *Legislative access.* Information from law enforcement records of a child alleged or adjudicated to be in need of care shall be available to members of the standing house or senate committee on judiciary, house committee on corrections and juvenile justice, house committee on appropriations, senate committee on ways and means, legislative post audit committee and any joint committee with authority to consider children's and families' issues, when carrying out such member's or committee's official functions in accordance with K.S.A. 75-4319, and amendments thereto, in a closed or executive meeting. Except in limited conditions established by  $\frac{2}{3}$  of the members of such committee, records and reports received by the committee shall not be further disclosed. Unauthorized disclosure may subject such member to discipline or censure from the house of representatives or senate.

(f) *Court order.* Notwithstanding the provisions of this section, a court of competent jurisdiction, after in camera inspection, may order disclosure of confidential law enforcement records pursuant to a determination that the disclosure is in the best interests of the child who is the subject of the reports or that the records are necessary for the proceedings of the court and otherwise admissible as evidence. The court shall specify the terms of disclosure and impose appropriate limitations.

Sec. 10. K.S.A. 38-2309 is hereby amended to read as follows: 38-2309. (a) *Official file.* The official file of proceedings pursuant to this code shall consist of the complaint, process, service of process, orders, writs and journal entries reflecting hearings held, judgments and decrees entered by the court. The official file shall be kept separate from other records of the court.

(b) The official file shall be open for public inspection, unless the judge determines that opening the official file for public inspection is not in the best interests of a juvenile who is less than 14 years of age. Information identifying victims and alleged victims of sex offenses, as defined in article 35 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 55 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. ~~2022-Supp.~~ 21-6419 through 21-6422, and amendments thereto, or human trafficking or aggravated human trafficking, as defined in K.S.A. 21-3446 or 21-3447, prior to their repeal, or K.S.A. ~~2022-Supp.~~ 21-5426, and amendments thereto, shall not be disclosed or open to public inspection under any circumstances. Nothing in this section shall prohibit the victim or alleged victim of any sex offense from voluntarily disclosing such victim's identity. An official file closed pursuant to this section and

information identifying the victim or alleged victim of any sex offense shall be disclosed only to the following:

(1) A judge of the district court and members of the staff of the court designated by the judge;

(2) parties to the proceedings and their attorneys;

(3) any individual or any public or private agency or institution: (A) Having custody of the juvenile under court order; or (B) providing educational, medical or mental health services to the juvenile;

(4) the juvenile's court appointed special advocate;

(5) any placement provider or potential placement provider as determined by the commissioner or court services officer;

(6) law enforcement officers or county or district attorneys, or their staff, when necessary for the discharge of their official duties;

(7) the Kansas racing and gaming commission, upon written request of the commission chairperson, for the purpose provided by K.S.A. 74-8804, and amendments thereto, except that information identifying the victim or alleged victim of any sex offense shall not be disclosed pursuant to this subsection;

(8) juvenile intake and assessment workers;

(9) ~~the commissioner~~ secretary of corrections;

(10) the office of the child advocate pursuant to the child advocate act; and

(11) any other person when authorized by a court order, subject to any conditions imposed by the order; and

~~(11) the commission on judicial performance in the discharge of the commission's duties pursuant to article 32 of chapter 20 of the Kansas Statutes Annotated, and amendments thereto.~~

(c) *Social file.* (1) Reports and information received by the court, other than the official file, shall be privileged and open to inspection only by the following:

(A) Attorneys for the parties;

(B) juvenile intake and assessment workers;

(C) ~~court appointed~~ court-appointed special advocates;

(D) juvenile community corrections officers;

(E) the juvenile's guardian ad litem, if any;

(F) the office of the child advocate pursuant to the child advocate act; or upon

(G) any other person when authorized by the order of a judge of the district court or appellate court.

(2) The reports shall not be further disclosed without approval of the court or by being presented as admissible evidence.

(d) *Preservation of records.* The Kansas state historical society shall be allowed to take possession for preservation in the state archives of any court records related to proceedings under the Kansas juvenile justice code or the revised Kansas juvenile justice code whenever such records otherwise would be destroyed. The Kansas state historical society shall make available for public inspection any unexpunged docket entry or official file in its custody concerning any juvenile 14 or more years of age at the time an offense is alleged to have been committed by the juvenile. No other such records in the custody of the Kansas state historical society shall be disclosed directly or indirectly to anyone for 70 years after creation of the records, except as provided in subsections (b) and (c). A judge of the district court may allow inspection for research

purposes of any court records in the custody of the Kansas state historical society related to proceedings under the Kansas juvenile justice code or the revised Kansas juvenile justice code.

(e) Relevant information, reports and records, shall be made available to the department of corrections upon request, and a showing that the former juvenile has been convicted of a crime and placed in the custody of the secretary of corrections.

Sec. 11. K.S.A. 38-2310 is hereby amended to read as follows: 38-2310. (a) All records of law enforcement officers and agencies and municipal courts concerning an offense committed or alleged to have been committed by a juvenile under 14 years of age shall be kept readily distinguishable from criminal and other records and shall not be disclosed to anyone except:

(1) The judge of the district court and members of the staff of the court designated by the judge;

(2) parties to the proceedings and their attorneys;

(3) the Kansas department for children and families;

(4) the juvenile's court appointed special advocate, any officer of a public or private agency or institution or any individual having custody of a juvenile under court order or providing educational, medical or mental health services to a juvenile;

(5) any educational institution, to the extent necessary to enable the educational institution to provide the safest possible environment for its pupils and employees;

(6) any educator, to the extent necessary to enable the educator to protect the personal safety of the educator and the educator's pupils;

(7) law enforcement officers or county or district attorneys, or their staff, when necessary for the discharge of their official duties;

(8) the central repository, as defined by K.S.A. 22-4701, and amendments thereto, for use only as a part of the juvenile offender information system established under K.S.A. 38-2326, and amendments thereto;

(9) juvenile intake and assessment workers;

(10) the department of corrections;

(11) juvenile community corrections officers;

(12) the interstate compact for juveniles compact administrator for the purpose of carrying out the responsibilities related to the interstate compact for juveniles;

(13) the office of the child advocate pursuant to the child advocate act;

(14) any other person when authorized by a court order, subject to any conditions imposed by the order; and

~~(14)~~(15) as provided in subsection (c).

(b) The provisions of this section shall not apply to records concerning:

(1) A violation, by a person 14 or more years of age, of any provision of chapter 8 of the Kansas Statutes Annotated, and amendments thereto, or of any city ordinance or county resolution which relates to the regulation of traffic on the roads, highways or streets or the operation of self-propelled or nonself-propelled vehicles of any kind;

(2) a violation, by a person 16 or more years of age, of any provision of chapter 32 of the Kansas Statutes Annotated, and amendments thereto; or

(3) an offense for which the juvenile is prosecuted as an adult.

(c) All records of law enforcement officers and agencies and municipal courts concerning an offense committed or alleged to have been committed by a juvenile 14 or more years of age shall be subject to the same disclosure restrictions as the records of

adults. Information identifying victims and alleged victims of sex offenses, as defined in article 35 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 55 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, K.S.A. ~~2022-Supp.~~ 21-6419 through 21-6422, and amendments thereto, or human trafficking or aggravated human trafficking, as defined in K.S.A. 21-3446 or 21-3447, prior to their repeal, or K.S.A. ~~2022-Supp.~~ 21-5426, and amendments thereto, shall not be disclosed or open to public inspection under any circumstances. Nothing in this section shall prohibit the victim or any alleged victim of any sex offense from voluntarily disclosing such victim's identity.

(d) Relevant information, reports and records, shall be made available to the department of corrections upon request and a showing that the former juvenile has been convicted of a crime and placed in the custody of the secretary of corrections.

(e) All records, reports and information obtained as a part of the juvenile intake and assessment process for juveniles shall be confidential, and shall not be disclosed except as provided by statutory law and rules and regulations promulgated by the secretary.

(1) Any court of record may order the disclosure of such records, reports and other information to any person or entity.

(2) The head of any juvenile intake and assessment program, certified by the secretary, may authorize disclosure of such records, reports and other information to:

(A) A person licensed to practice the healing arts who has before that person a juvenile whom the person reasonably suspects may be abused or neglected;

(B) a court-appointed special advocate for a juvenile or an agency having the legal responsibility or authorization to care for, treat or supervise a juvenile;

(C) a parent or other person responsible for the welfare of a juvenile, or such person's legal representative, with protection for the identity of persons reporting and other appropriate persons;

(D) the juvenile, the attorney and a guardian ad litem, if any, for such juvenile;

(E) the police or other law enforcement agency;

(F) an agency charged with the responsibility of preventing or treating physical, mental or emotional abuse or neglect or sexual abuse of children, if the agency requesting the information has standards of confidentiality as strict or stricter than the requirements of the Kansas code for care of children or the revised Kansas juvenile justice code, whichever is applicable;

(G) members of a multidisciplinary team under this code;

(H) an agency authorized by a properly constituted authority to diagnose, care for, treat or supervise a child who is the subject of a report or record of child abuse or neglect;

(I) any individual, or public or private agency authorized by a properly constituted authority to diagnose, care for, treat or supervise a juvenile who is the subject of a report or record of child abuse or neglect, specifically including the following: Physicians, psychiatrists, nurses, nurse practitioners, psychologists, licensed social workers, child development specialists, physician assistants, community mental health workers, addiction counselors and licensed or registered child care providers;

(J) a citizen review board pursuant to K.S.A. 38-2207, and amendments thereto;

(K) an educational institution to the extent necessary to enable such institution to provide the safest possible environment for pupils and employees of the institution;

(L) any educator to the extent necessary for the protection of the educator and

pupils;

(M) any juvenile intake and assessment worker of another certified juvenile intake and assessment program; ~~and~~

(N) the interstate compact for juveniles compact administrator for the purpose of carrying out the responsibilities related to the interstate compact for juveniles; and

(O) the office of the child advocate pursuant to the child advocate act.

Sec. 12. K.S.A. 38-2213, 38-2309 and 38-2310 and K.S.A. 2023 Supp. 38-2211 and 38-2212 are hereby repealed.";

Also on page 2, in line 15, by striking "Kansas register" and inserting "statute book"; And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 and 3; in line 4, by striking all before the period and inserting "children and minors; establishing the office of the child advocate as an independent state agency and prescribing certain powers, duties and functions thereof; authorizing access to certain records related to children and minors by the office of the child advocate; amending K.S.A. 38-2213, 38-2309 and 38-2310 and K.S.A. 2023 Supp. 38-2211 and 38-2212 and repealing the existing sections";

And your committee on conference recommends the adoption of this report.

SUSAN CONCANNON

TIMOTHY JOHNSON

JARROD OUSLEY

*Conferees on part of House*

KELLIE WARREN

RICHARD WILBORN

ETHAN CORSON

*Conferees on part of Senate*

On motion of Rep. Concannon, the conference committee report on **SB 115** was adopted.

On roll call, the vote was: Yeas 117; Nays 3; Present but not voting: 0; Absent or not voting: 5.

Yeas: Amyx, Anderson, Averkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Houglan, Howe, Howell, Howerton, Hoye, Humphries, T. Johnson, Kessler, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Robinson, Roth, Ruiz, L., Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Fairchild, Jacobs, Rhiley.

Present but not voting: None.

Absent or not voting: Alcala, Garber, Houser, Landwehr, Poetter.

### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 14** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 6 through 36;

On page 2, by striking all in lines 1 through 28; following line 28, by inserting:

"Section 1. K.S.A. 2023 Supp. 25-1122 is hereby amended to read as follows: 25-1122. (a) Any registered voter may file with the county election officer where such person is a resident, or where such person is authorized by law to vote as a former precinct resident, an application for an advance voting ballot. The signed application shall be transmitted only to the county election officer by personal delivery, mail, facsimile or as otherwise provided by law.

(b) If the registered voter is applying for an advance voting ballot to be transmitted in person, the voter shall provide identification pursuant to K.S.A. 25-2908, and amendments thereto.

(c) If the registered voter is applying for an advance voting ballot to be transmitted by mail, the voter shall provide with the application for an advance voting ballot the voter's current and valid Kansas driver's license number, nondriver's identification card number or a photocopy of any other identification provided by K.S.A. 25-2908, and amendments thereto.

(d) A voter may vote a provisional ballot according to K.S.A. 25-409, and amendments thereto, if:

(1) The voter is unable or refuses to provide current and valid identification; or

(2) the name and address of the voter provided on the application for an advance voting ballot do not match the voter's name and address on the registration book. The voter shall provide a valid form of identification as defined in K.S.A. 25-2908, and amendments thereto, to the county election officer in person or provide a copy by mail or electronic means before the meeting of the county board of canvassers. At the meeting of the county board of canvassers the county election officer shall present copies of identification received from provisional voters and the corresponding provisional ballots. If the county board of canvassers determines that a voter's identification is valid and the provisional ballot was properly cast, the ballot shall be counted.

(e) No county election officer shall provide an advance voting ballot to a person who is requesting an advance voting ballot to be transmitted by mail unless:

(1) The county election official verifies that the signature of the person matches that on file in the county voter registration records, except that verification of the voter's signature shall not be required if a voter has a disability preventing the voter from signing. Signature verification may occur by electronic device or by human inspection. In the event that the signature of a person who is requesting an advance voting ballot does not match that on file, the county election officer shall attempt to contact the person and shall offer the person another opportunity to provide the person's signature for the purposes of verifying the person's identity. If the county election officer is

unable to reach the person, the county election officer may transmit a provisional ballot, however, such provisional ballot may not be counted unless a signature is included therewith that can be verified; and

(2) the person provides such person's full Kansas driver's license number, Kansas nondriver's identification card number issued by the division of vehicles, or submits such person's application for an advance voting ballot and a copy of identification provided by K.S.A. 25-2908, and amendments thereto, to the county election officer for verification. If a person applies for an advance voting ballot to be transmitted by mail but fails to provide identification pursuant to this subsection or the identification of the person cannot be verified by the county election officer, the county election officer shall provide information to the person regarding the voter rights provisions of subsection (d) and shall provide the person an opportunity to provide identification pursuant to this subsection. For the purposes of this act, Kansas state offices and offices of any subdivision of the state will allow any person seeking to vote by an advance voting ballot the use of a photocopying device to make one photocopy of an identification document at no cost.

(f) (1) Applications for advance voting ballots to be transmitted to the voter by mail shall be filed only at the following times:

(A) For the primary election occurring on the first Tuesday in August in both even-numbered and odd-numbered years, between April 1 of such year and the Tuesday of the week preceding such primary election;

(B) for the general election occurring on the Tuesday following the first Monday in November in both even-numbered and odd-numbered years, between 90 days prior to such election and the Tuesday of the week preceding such general election;

(C) for the presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto, between January 1 of the year in which such election is held and 30 days prior to the day of such election;

(D) for question submitted elections occurring on the date of a primary or general election, the same as is provided for ballots for election of officers at such election;

(E) for question submitted elections not occurring on the date of a primary or general election, between the time of the first published notice thereof and the Tuesday of the week preceding such question submitted election, except that if the question submitted election is held on a day other than a Tuesday, the final date for mailing of advance voting ballots shall be one week before such election; and

(F) for any special election of officers, at such time as is specified by the secretary of state.

(2) The county election officer of any county may receive applications prior to the time specified in this subsection and hold such applications until the beginning of the prescribed application period. Such applications shall be treated as filed on that date.

(g) (1) Unless an earlier date is designated by the county election office, applications for advance voting ballots transmitted to the voter in person shall be filed on the Tuesday next preceding the election and on each subsequent business day until ~~no~~ not later than 12 noon on the day preceding such election. If the county election officer so provides, applications for advance voting ballots transmitted to the voter in person ~~in the office of the county election officer~~ also may be filed on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person voting on the Saturday preceding an election. Upon receipt of

any such properly executed application, the county election officer shall deliver to the voter such ballots and instructions as are provided for in this act.

(2) An application for an advance voting ballot filed by a voter who has a temporary illness or disability or who is not proficient in reading the English language or by a person rendering assistance to such voter may be filed during the regular advance ballot application periods until the close of the polls on election day.

(3) The county election officer may designate places other than the central county election office as satellite advance voting sites. At any satellite advance voting site, a registered voter may obtain an application for advance voting ballots. Ballots and instructions shall be delivered to the voter in the same manner and subject to the same limitations as otherwise provided by this subsection.

(h) Any person having a permanent disability or an illness that has been diagnosed as a permanent illness is hereby authorized to make an application for permanent advance voting status. Applications for permanent advance voting status shall be in the form and contain such information as is required for application for advance voting ballots and also shall contain information that establishes the voter's right to permanent advance voting status.

(i) On receipt of any application filed under the provisions of this section, the county election officer shall prepare and maintain in such officer's office a list of the names of all persons who have filed such applications, together with their correct post office address and the precinct, ward, township or voting area in which the persons claim to be registered voters or to be authorized by law to vote as former precinct residents and the present resident address of each applicant. Names and addresses shall remain so listed until the day of such election. The county election officer shall maintain a separate listing of the names and addresses of persons qualifying for permanent advance voting status. All such lists shall be available for inspection upon request in compliance with this subsection by any registered voter during regular business hours. The county election officer upon receipt of the applications shall enter upon a record kept by such officer the name and address of each applicant, which record shall conform to the list above required. Before inspection of any advance voting ballot application list, the person desiring to make the inspection shall provide to the county election officer identification in the form of driver's license or other reliable identification and shall sign a log book or application form maintained by the officer stating the person's name and address and showing the date and time of inspection. All records made by the county election officer shall be subject to public inspection, except that the voter identification information required by subsections (b) and (c) and the identifying number on ballots and ballot envelopes and records of such numbers shall not be made public.

(j) If a person on the permanent advance voting list fails to vote in four consecutive general elections, the county election officer may mail a notice to such voter. The notice shall inform the voter that the voter's name will be removed from the permanent advance voting list unless the voter renews the application for permanent advance voting status within 30 days after the notice is mailed. If the voter fails to renew such application, the county election officer shall remove the voter's name from the permanent advance voting list. Failure to renew the application for permanent advance voting status shall not result in removal of the voter's name from the voter registration list.

(k) (1) Any person who solicits by mail a registered voter to file an application for an advance voting ballot and includes an application for an advance voting ballot in such mailing shall include on the exterior of such mailing, and on each page contained therein, except the application, a clear and conspicuous label in 14-point font or larger that includes:

(A) The name of the individual or organization that caused such solicitation to be mailed;

(B) if an organization, the name of the president, chief executive officer or executive director of such organization;

(C) the address of such individual or organization; and

(D) the following statement: "Disclosure: This is not a government mailing. It is from a private individual or organization."

(2) The application for an advance voting ballot included in such mailing shall be the official application for advance ballot by mail provided by the secretary of state. No portion of such application shall be completed prior to mailing such application to the registered voter.

(3) An application for an advance voting ballot shall include an envelope addressed to the appropriate county election office for the mailing of such application. In no case shall the person who mails the application to the voter direct that the completed application be returned to such person.

(4) The provisions of this subsection shall not apply to:

(A) The secretary of state or any election official or county election office; or

(B) the official protection and advocacy for voting access agency for this state as designated pursuant to the federal help America vote act of 2002, public law 107-252, or any other entity required to provide information concerning elections and voting procedures by federal law.

(5) A violation of this subsection is a class C nonperson misdemeanor.

(l) (1) No person shall mail or cause to be mailed an application for an advance voting ballot, unless such person is a resident of this state or is otherwise domiciled in this state.

(2) Any individual may file a complaint in writing with the attorney general alleging a violation of this subsection. Such complaint shall include the name of the person alleged to have violated this subsection and any other information as required by the attorney general. Upon receipt of a complaint, the attorney general shall investigate and may file an action against any person found to have violated this subsection.

(3) Any person who violates the provisions of this subsection is subject to a civil penalty of \$20. Each instance in which a person mails an application for an advance voting ballot in violation of this section shall constitute a separate violation.

(m) A county election officer shall not mail a ballot to a voter unless such voter has submitted an application for an advance voting ballot, except that a ballot may be mailed to a voter if such voter has permanent advance voting ballot status pursuant to subsection (h) or if the election is conducted pursuant to the mail ballot election act, K.S.A. 25-431 et seq., and amendments thereto.

(n) The secretary of state may adopt rules and regulations in order to implement the provisions of this section and to define valid forms of identification.

Sec. 2. On and after January 1, 2025, K.S.A. 2023 Supp. 25-1122, as amended by section 1 of this act, is hereby amended to read as follows: 25-1122. (a) Any registered

voter may file with the county election officer where such person is a resident, or where such person is authorized by law to vote as a former precinct resident, an application for an advance voting ballot. The signed application shall be transmitted only to the county election officer by personal delivery, mail, facsimile or as otherwise provided by law.

(b) If the registered voter is applying for an advance voting ballot to be transmitted in person, the voter shall provide identification pursuant to K.S.A. 25-2908, and amendments thereto.

(c) If the registered voter is applying for an advance voting ballot to be transmitted by mail, the voter shall provide with the application for an advance voting ballot the voter's current and valid Kansas driver's license number, nondriver's identification card number or a photocopy of any other identification provided by K.S.A. 25-2908, and amendments thereto.

(d) A voter may vote a provisional ballot according to K.S.A. 25-409, and amendments thereto, if:

(1) The voter is unable or refuses to provide current and valid identification; or

(2) the name and address of the voter provided on the application for an advance voting ballot do not match the voter's name and address on the registration book. The voter shall provide a valid form of identification as defined in K.S.A. 25-2908, and amendments thereto, to the county election officer in person or provide a copy by mail or electronic means before the meeting of the county board of canvassers. At the meeting of the county board of canvassers the county election officer shall present copies of identification received from provisional voters and the corresponding provisional ballots. If the county board of canvassers determines that a voter's identification is valid and the provisional ballot was properly cast, the ballot shall be counted.

(e) No county election officer shall provide an advance voting ballot to a person who is requesting an advance voting ballot to be transmitted by mail unless:

(1) The county election official verifies that the signature of the person matches that on file in the county voter registration records, except that verification of the voter's signature shall not be required if a voter has a disability preventing the voter from signing. Signature verification may occur by electronic device or by human inspection. In the event that the signature of a person who is requesting an advance voting ballot does not match that on file, the county election officer shall attempt to contact the person and shall offer the person another opportunity to provide the person's signature for the purposes of verifying the person's identity. If the county election officer is unable to reach the person, the county election officer may transmit a provisional ballot, however, such provisional ballot may not be counted unless a signature is included therewith that can be verified; and

(2) the person provides such person's full Kansas driver's license number, Kansas nondriver's identification card number issued by the division of vehicles, or submits such person's application for an advance voting ballot and a copy of identification provided by K.S.A. 25-2908, and amendments thereto, to the county election officer for verification. If a person applies for an advance voting ballot to be transmitted by mail but fails to provide identification pursuant to this subsection or the identification of the person cannot be verified by the county election officer, the county election officer shall provide information to the person regarding the voter rights provisions of subsection (d) and shall provide the person an opportunity to provide identification pursuant to this

subsection. For the purposes of this act, Kansas state offices and offices of any subdivision of the state will allow any person seeking to vote by an advance voting ballot the use of a photocopying device to make one photocopy of an identification document at no cost.

(f) (1) Applications for advance voting ballots to be transmitted to the voter by mail shall be filed only at the following times:

(A) For the primary election occurring on the first Tuesday in August in both even-numbered and odd-numbered years, between April 1 of such year and ~~the Tuesday of the week 14 days~~ preceding such primary election;

(B) for the general election occurring on the Tuesday following the first Monday in November in both even-numbered and odd-numbered years, between 90 days prior to such election and ~~the Tuesday of the week 14 days~~ preceding such general election;

(C) for the presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto, between January 1 of the year in which such election is held and 30 days prior to the day of such election;

(D) for question submitted elections occurring on the date of a primary or general election, the same as is provided for ballots for election of officers at such election;

(E) for question submitted elections not occurring on the date of a primary or general election, between the time of the first published notice thereof and ~~the Tuesday of the week 14 days~~ preceding such question submitted election, except that if the question submitted election is held on a day other than a Tuesday, the final date for mailing of advance voting ballots shall be ~~one week 14 days~~ before such election; and

(F) for any special election of officers, at such time as is specified by the secretary of state.

(2) The county election officer of any county may receive applications prior to the time specified in this subsection and hold such applications until the beginning of the prescribed application period. Such applications shall be treated as filed on that date.

(g) (1) Unless an earlier date is designated by the county election office, applications for advance voting ballots transmitted to the voter in person shall be filed on the Tuesday next preceding the election and on each subsequent business day until not later than ~~12 noon on the day~~ 7:00 p.m. Sunday preceding such election except a county election officer may allow in-person voting until noon Monday for any person for good cause. If the county election officer so provides, applications for advance voting ballots transmitted to the voter in person also may be filed on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person voting on the Saturday preceding an election. Upon receipt of any such properly executed application, the county election officer shall deliver to the voter such ballots and instructions as are provided for in this act.

(2) An application for an advance voting ballot filed by a voter who has a temporary illness or disability or who is not proficient in reading the English language or by a person rendering assistance to such voter may be filed during the regular advance ballot application periods until the close of the polls on election day.

(3) The county election officer may designate places other than the central county election office as satellite advance voting sites. At any satellite advance voting site, a registered voter may obtain an application for advance voting ballots. Ballots and instructions shall be delivered to the voter in the same manner and subject to the same limitations as otherwise provided by this subsection.

(h) Any person having a permanent disability or an illness that has been diagnosed as a permanent illness is hereby authorized to make an application for permanent advance voting status. Applications for permanent advance voting status shall be in the form and contain such information as is required for application for advance voting ballots and also shall contain information that establishes the voter's right to permanent advance voting status.

(i) On receipt of any application filed under the provisions of this section, the county election officer shall prepare and maintain in such officer's office a list of the names of all persons who have filed such applications, together with their correct post office address and the precinct, ward, township or voting area in which the persons claim to be registered voters or to be authorized by law to vote as former precinct residents and the present resident address of each applicant. Names and addresses shall remain so listed until the day of such election. The county election officer shall maintain a separate listing of the names and addresses of persons qualifying for permanent advance voting status. All such lists shall be available for inspection upon request in compliance with this subsection by any registered voter during regular business hours. The county election officer upon receipt of the applications shall enter upon a record kept by such officer the name and address of each applicant, which record shall conform to the list above required. Before inspection of any advance voting ballot application list, the person desiring to make the inspection shall provide to the county election officer identification in the form of driver's license or other reliable identification and shall sign a log book or application form maintained by the officer stating the person's name and address and showing the date and time of inspection. All records made by the county election officer shall be subject to public inspection, except that the voter identification information required by subsections (b) and (c) and the identifying number on ballots and ballot envelopes and records of such numbers shall not be made public.

(j) If a person on the permanent advance voting list fails to vote in four consecutive general elections, the county election officer may mail a notice to such voter. The notice shall inform the voter that the voter's name will be removed from the permanent advance voting list unless the voter renews the application for permanent advance voting status within 30 days after the notice is mailed. If the voter fails to renew such application, the county election officer shall remove the voter's name from the permanent advance voting list. Failure to renew the application for permanent advance voting status shall not result in removal of the voter's name from the voter registration list.

(k) (1) Any person who solicits by mail a registered voter to file an application for an advance voting ballot and includes an application for an advance voting ballot in such mailing shall include on the exterior of such mailing, and on each page contained therein, except the application, a clear and conspicuous label in 14-point font or larger that includes:

(A) The name of the individual or organization that caused such solicitation to be mailed;

(B) if an organization, the name of the president, chief executive officer or executive director of such organization;

(C) the address of such individual or organization; and

(D) the following statement: "Disclosure: This is not a government mailing. It is

from a private individual or organization."

(2) The application for an advance voting ballot included in such mailing shall be the official application for advance ballot by mail provided by the secretary of state. No portion of such application shall be completed prior to mailing such application to the registered voter.

(3) An application for an advance voting ballot shall include an envelope addressed to the appropriate county election office for the mailing of such application. In no case shall the person who mails the application to the voter direct that the completed application be returned to such person.

(4) The provisions of this subsection shall not apply to:

(A) The secretary of state or any election official or county election office; or

(B) the official protection and advocacy for voting access agency for this state as designated pursuant to the federal help America vote act of 2002, public law 107-252, or any other entity required to provide information concerning elections and voting procedures by federal law.

(5) A violation of this subsection is a class C nonperson misdemeanor.

(1) (1) No person shall mail or cause to be mailed an application for an advance voting ballot, unless such person is a resident of this state or is otherwise domiciled in this state.

(2) Any individual may file a complaint in writing with the attorney general alleging a violation of this subsection. Such complaint shall include the name of the person alleged to have violated this subsection and any other information as required by the attorney general. Upon receipt of a complaint, the attorney general shall investigate and may file an action against any person found to have violated this subsection.

(3) Any person who violates the provisions of this subsection is subject to a civil penalty of \$20. Each instance in which a person mails an application for an advance voting ballot in violation of this section shall constitute a separate violation.

(m) A county election officer shall not mail a ballot to a voter unless such voter has submitted an application for an advance voting ballot, except that a ballot may be mailed to a voter if such voter has permanent advance voting ballot status pursuant to subsection (h) or if the election is conducted pursuant to the mail ballot election act, K.S.A. 25-431 et seq., and amendments thereto.

(n) The secretary of state may adopt rules and regulations in order to implement the provisions of this section and to define valid forms of identification.

Sec. 3. On and after January 1, 2025, K.S.A. 25-1123 is hereby amended to read as follows: 25-1123. (a) When an application for an advance voting ballot has been filed in accordance with K.S.A. 25-1122, and amendments thereto, the county election officer shall transmit to the voter applying therefor one each of the appropriate ballots. Unless an advance voting ballot is transmitted in person pursuant to this subsection, the county election officer shall transmit the advance voting ballots to the voter at one of the following addresses as specified by the voter on such application: (1) The voter's residential address or mailing address as indicated on the registration list; (2) the voter's temporary residential address; or (3) a medical care facility as defined in K.S.A. 65-425, and amendments thereto, psychiatric hospital, hospice or adult care home where the voter resides. No advance voting ballot shall be transmitted by the county election officer by any means prior to the ~~20<sup>th</sup>~~ 22<sup>nd</sup> day before the election for which an application for an advance voting ballot has been received by such county election

officer. If the advance voting ballot is transmitted by mail, such ballot shall be transmitted with printed instructions prescribed by the secretary of state and a ballot envelope bearing upon the outside a printed form as described in K.S.A. 25-1120, and amendments thereto, and the same number as the number of the ballot. If the advance voting ballot is transmitted to the applicant in person in the office of the county election officer or at a satellite advance voting site, such advance voting ballot and printed instructions shall be transmitted in an advance voting ballot envelope bearing upon the outside a printed form as described in K.S.A. 25-1120, and amendments thereto, and the same number as the number of the ballot unless the voter elects to deposit the advance voting ballot into a locked ballot box without an envelope. All ballots shall be transmitted to the advance voting voter not more than ~~20~~ 22 days before the election but within two business days of the receipt of such voter's application by the election officer or the commencement of such ~~20-day~~ 22-day period. In primary elections required to be conducted on a partisan basis, the election officer shall deliver to such voter the ballot of the political party of the applicant.

(b) The restrictions in subsection (a) relating to where a county election officer may transmit an advance voting ballot shall not apply to an advance voting ballot requested pursuant to an application for an advance voting ballot filed by a voter who has a temporary illness or disability or who is not proficient in reading the English language.

(c) The county election officer shall compare the driver's license number, nondriver's identification card number or copy of other valid identification provided by a voter to the voter registration list verified by the division of vehicles in accordance with federal law. If no identification information was provided by the voter or if such information does not match the information on the voter registration list, the county election officer shall transmit a provisional advance voting ballot.

Sec. 4. K.S.A. 25-1128 is hereby amended to read as follows: 25-1128. (a) No voter shall knowingly mark or transmit to the county election officer more than one advance voting ballot, or set of one of each kind of ballot, if the voter is entitled to vote more than one such ballot at a particular election.

(b) Except as provided in K.S.A. 25-1124, and amendments thereto, no person shall knowingly interfere with or delay the transmission of any advance voting ballot application from a voter to the county election officer, nor shall any person mail, fax or otherwise cause the application to be sent to a place other than the county election office. Any person or group engaged in the distribution of advance voting ballot applications shall mail, fax or otherwise deliver any application signed by a voter to the county election office within two days after such application is signed by the applicant.

(c) Except as otherwise provided by law, no person other than the voter, shall knowingly mark, sign or transmit to the county election officer any advance voting ballot or advance voting ballot envelope.

(d) Except as otherwise provided by law, no person shall knowingly sign an application for an advance voting ballot for another person. This provision shall not apply if a voter has a disability preventing the voter from signing an application or if an immediate family member signs an application on behalf of another immediate family member with proper authorization being given.

(e) No person, unless authorized by K.S.A. 25-1122 or 25-1124, and amendments thereto, shall knowingly intercept, interfere with, or delay the transmission of advance voting ballots from the county election officer to the voter.

(f) No person shall knowingly and falsely affirm, declare or subscribe to any material fact in an affirmation form for an advance voting ballot or set of advance voting ballots.

(g) A voter may return such voter's advance voting ballot to the county election officer by personal delivery or by mail. Subject to the provisions of K.S.A. 25-2437, and amendments thereto, a person other than the voter may return the advance voting ballot by personal delivery or mail if authorized by the voter in writing as provided in K.S.A. 25-2437, and amendments thereto, except that a written designation shall not be required from a voter who has a disability preventing the voter from writing or signing a written designation. Any such person designated by the voter shall sign a statement in accordance with K.S.A. 25-2437, and amendments thereto. All ballots cast by advance in-person voting shall be delivered to the county election office not later than 12 noon on the Monday preceding the date of the election. If the county election officer so provides, such ballots may be delivered or cast on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person advance voting on the Saturday preceding an election.

(h) Except as otherwise provided by federal law, no person shall knowingly backdate or otherwise alter a postmark or other official indication of the date of mailing of an advance voting ballot returned to the county election officer by mail for the purpose of indicating a date of mailing other than the actual date of mailing by the voter or the voter's designee.

(i) Violation of any provision of this section is a severity level 9, nonperson felony.

Sec. 5. On and after January 1, 2025, K.S.A. 25-1128, as amended by section 4 of this act, is hereby amended to read as follows: 25-1128. (a) No voter shall knowingly mark or transmit to the county election officer more than one advance voting ballot, or set of one of each kind of ballot, if the voter is entitled to vote more than one such ballot at a particular election.

(b) Except as provided in K.S.A. 25-1124, and amendments thereto, no person shall knowingly interfere with or delay the transmission of any advance voting ballot application from a voter to the county election officer, nor shall any person mail, fax or otherwise cause the application to be sent to a place other than the county election office. Any person or group engaged in the distribution of advance voting ballot applications shall mail, fax or otherwise deliver any application signed by a voter to the county election office within two days after such application is signed by the applicant.

(c) Except as otherwise provided by law, no person other than the voter, shall knowingly mark, sign or transmit to the county election officer any advance voting ballot or advance voting ballot envelope.

(d) Except as otherwise provided by law, no person shall knowingly sign an application for an advance voting ballot for another person. This provision shall not apply if a voter has a disability preventing the voter from signing an application or if an immediate family member signs an application on behalf of another immediate family member with proper authorization being given.

(e) No person, unless authorized by K.S.A. 25-1122 or 25-1124, and amendments thereto, shall knowingly intercept, interfere with, or delay the transmission of advance voting ballots from the county election officer to the voter.

(f) No person shall knowingly and falsely affirm, declare or subscribe to any material fact in an affirmation form for an advance voting ballot or set of advance

voting ballots.

(g) A voter may return such voter's advance voting ballot to the county election officer by personal delivery or by mail. Subject to the provisions of K.S.A. 25-2437, and amendments thereto, a person other than the voter may return the advance voting ballot by personal delivery or mail if authorized by the voter in writing as provided in K.S.A. 25-2437, and amendments thereto, except that a written designation shall not be required from a voter who has a disability preventing the voter from writing or signing a written designation. Any such person designated by the voter shall sign a statement in accordance with K.S.A. 25-2437, and amendments thereto. All ballots cast by advance in-person voting shall be delivered to the county election office not later than ~~12 noon~~ 7:00 p.m. on the ~~Monday~~ Sunday preceding the date of the election. If the county election officer so provides, such ballots may be delivered or cast on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person advance voting on the Saturday preceding an election.

(h) Except as otherwise provided by federal law, no person shall knowingly backdate or otherwise alter a postmark or other official indication of the date of mailing of an advance voting ballot returned to the county election officer by mail for the purpose of indicating a date of mailing other than the actual date of mailing by the voter or the voter's designee.

(i) Violation of any provision of this section is a severity level 9, nonperson felony.

Sec. 6. On and after January 1, 2025, K.S.A. 25-1132 is hereby amended to read as follows: 25-1132. (a) All advance voting ballots that are received in the office of the county election officer or any polling place within the county not later than the hour for closing of the polls on the date of any election specified in K.S.A. 25-1122(f), and amendments thereto, shall be delivered by the county election officer to the appropriate special election board provided for in K.S.A. 25-1133, and amendments thereto.

~~(b) Subject to the deadline for receipt by the office of the county election officer as set forth in this subsection, all advance voting ballots received by mail by the office of the county election officer after the closing of the polls on the date of any election specified in K.S.A. 25-1122(f), and amendments thereto, and which are postmarked or are otherwise indicated by the United States postal service to have been mailed on or before the close of the polls on the date of the election, shall be delivered by the county election officer to a special election board or the county board of canvassers, as determined by the secretary of state, for canvassing in a manner consistent, as nearly as may be, with other advance voting ballots. The deadline for the receipt by mail of the advance voting ballots by the office of the county election officer shall be the last delivery of mail by the United States postal service 7:00 p.m. on the third day following the date of the election.~~

~~(c) The secretary of state shall adopt rules and regulations to implement this subsection section.~~

Sec. 7. On and after January 1, 2025, K.S.A. 2023 Supp. 25-2311 is hereby amended to read as follows: 25-2311. (a) County election officers shall provide for the registration of voters at one or more places on all days except the following:

(1) Days when the main offices of the county government are closed for business, except as is otherwise provided by any county election officer under the provisions of K.S.A. 25-2312, and amendments thereto;

(2) days when the main offices of the city government are closed for business, in

the case of deputy county election officers who are city clerks except as is otherwise provided by any county election officer under the provisions of K.S.A. 25-2312, and amendments thereto;

(3) the ~~20~~ 22 days preceding the day of primary and general elections;

(4) the 30 days preceding the day of any presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto;

(5) the ~~20~~ 22 days preceding the day of any election other than one specified in this subsection; and

(6) the day of any primary or general election or any question submitted election.

(b) For the purposes of this section in counting days that registration books are to be closed, all of the days including Sunday and legal holidays shall be counted.

(c) The secretary of state shall notify every county election officer of the dates when registration shall be closed preceding primary and general elections. The days so specified by the secretary of state shall be conclusive. Such notice shall be given by the secretary of state by mail at least 60 days preceding every primary and general election.

(d) The last days before closing of registration books as directed by the secretary of state under subsection (c), county election officers shall provide for registration of voters during regular business hours, during the noon hours and at other than regular business hours upon such days as the county election officers deem necessary. The last three business days before closing of registration books prior to primary and general elections, county election officers may provide for registration of voters until 9 p.m. in any city.

(e) (1) Except as provided in paragraph (2), county election officers shall accept and process applications received by voter registration agencies and the division of motor vehicles not later than the ~~24<sup>th</sup>~~ 23<sup>rd</sup> day preceding the date of any election or mailed voter registration applications that are postmarked not later than the ~~24<sup>th</sup>~~ 23<sup>rd</sup> day preceding the date of any election except, if the postmark is illegible or missing, mailed voter registration applications received in the mail not later than the ninth day preceding the day of any election.

(2) For any presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto, county election officers shall accept and process applications received by voter registration agencies and the division of motor vehicles not later than the 31<sup>st</sup> day preceding the date of such election or mailed voter registration applications that are postmarked not later than the 31<sup>st</sup> day preceding such election except, if the postmark is illegible or missing, mailed voter registration applications received in the mail not later than the 19<sup>th</sup> day preceding the day of such election.

(f) The secretary of state may adopt rules and regulations interpreting the provisions of this section and specifying the days when registration shall be open, days when registration shall be closed, and days when it is optional with the county election officer for registration to be open or closed.

(g) Before each primary and general election held in even-numbered and odd-numbered years, and at times and in a form prescribed by the secretary of state, each county election officer shall certify to the secretary of state the number of registered voters in each precinct of the county as shown by the registration books in the office of such county election officer.";

Also on page 2, in line 29, by striking "2022 Supp. 40-2c01 is" and inserting "25-

1128 and K.S.A. 2023 Supp. 25-1122 are"; following line 29, by inserting:

"Sec. 9. On and after January 1, 2025, K.S.A. 25-1123, 25-1128, as amended by section 4 of this act, and 25-1132 and K.S.A. 2023 Supp. 25-1122, as amended by section 1 of this act, and 25-2311 are hereby repealed.";

Also on page 2, in line 31, by striking "Kansas register" and inserting "statute book";  
And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; in line 2, by striking all before the semicolon and inserting "elections; relating to advance ballots; extending the time for transmittal of advance ballots to voters to 22 days prior to an election; changing the voter registration deadline before an election to the 23<sup>rd</sup> day preceding the election; requiring county election officers to provide at least four hours of advance in-person voting on the Saturday before an election; providing that after January 1, 2025, if advance voting ballots are cast in person, such ballots must be received in the county election office by 7:00 p.m. on the Sunday preceding the election; providing an exception; requiring the return of all advance voting ballots by 7:00 p.m. on election day"; also in line 2, by striking "2022"; in line 3, by striking all before "and" and inserting "25-1123, 25-1128, 25-1128, as amended by section 4 of this act, and 25-1132 and K.S.A. 2023 Supp. 25-1122, 25-1122, as amended by section 1 of this act, and 25-2311"; also in line 3, by striking "section" and inserting "sections";

And your committee on conference recommends the adoption of this report.

PAT PROCTOR

PAUL WAGGONER

*Conferees on part of House*

MIKE THOMPSON

RICK KLOOS

*Conferees on part of Senate*

On motion of Rep. Proctor, the conference committee report on **SB 14** was adopted.

On roll call, the vote was: Yeas 73; Nays 48; Present but not voting: 0; Absent or not voting: 4.

Yeas: Anderson, Awerkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Moser, Murphy, Neelly, Owens, Penn, Proctor, Resman, Rhiley, Robinson, Roth, Sanders, Schmoee, Seiwert, Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, White, Williams, K..

Nays: Amyx, Ballard, Borjon, Carlin, Carmichael, Carr, Collins, Curtis, Featherston, Haskins, Haswood, Helgersen, Highberger, Hougland, Hoye, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Pickert, Poskin, Probst, Rahjes, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Schreiber, Smith, A., Stogsdill, Vaughn, Waymaster, Weigel, Williams, L., Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: Alcalá, Garber, Houser, Poetter.

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 271** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 271, with House Committee of the Whole amendments, as follows:

On page 3, in line 2, by striking "and 2" and inserting ", 2 and 3";

On page 4, following line 18, by inserting:

"(8) "State-level agency" means any department, authority, bureau, division, office or other governmental agency of this state.";

On page 5, in line 11, after "(B)" by inserting "the original purchase price of such functional drone and the date the governmental agency took ownership of such drone;

(C)";

Also on page 5, following line 31, by inserting:

"(D) In no case shall such reimbursement exceed the depreciated value of the functional drone taken out of service. Such depreciated value shall be calculated by subtracting 1.25% of such drone's original purchase price each month such governmental agency has owned the drone.";

Any by redesignating subparagraphs accordingly;

On page 6, following line 24, by inserting:

"Sec. 3. (a) (1) Except as provided by paragraph (2), no state-level agency shall enter into a contract or agreement to procure final or finished goods or services from a foreign principal.

(2) A state-level agency may enter into a contract or agreement to procure final or finished goods or services from a foreign principal if such foreign principal:

(A) Previously received a determination that there are no unresolved national security concerns and action under 50 U.S.C. § 4565, as in effect on July 1, 2024, that has concluded with respect to a covered transaction, if such foreign principal has not undergone a change in control constituting a covered control transaction, since such determination to conclude action was made; or

(B) has a national security agreement in effect on July 1, 2024, with the committee on foreign investment in the United States, or the United States department of defense, under 50 U.S.C. § 4565, as in effect on July 1, 2024, and maintains such national security agreement.

(b) The provisions of this section shall not apply to any contract or agreement entered into prior to July 1, 2024.";

And by renumbering sections accordingly;

On page 1, in the title, in line 20, before the period, by inserting "; relating to state contracts; prohibiting state-level agencies from procuring final or finished goods or services from a foreign principal";

And your committee on conference recommends the adoption of this report.

SEAN TARWATER

JESSE BORJON

JASON PROBST

*Conferees on part of House*

MIKE THOMPSON

RICK KLOOS

OLETHA FAUST-GOUDEAU

*Conferees on part of Senate*

On motion of Rep. Tarwater, the conference committee report on **Sub Bill for SB 271** was adopted.

On roll call, the vote was: Yeas 86; Nays 35; Present but not voting: 0; Absent or not voting: 4.

Yeas: Anderson, Averkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Miller, D., Minnix, Moser, Murphy, Neelly, Osman, Owens, Penn, Pickert, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Sanders, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K..

Nays: Amyx, Ballard, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Hougland, Hoye, Martinez, McDonald, Melton, Meyer, Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Ousley, Poskin, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Williams, L., Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: Alcalá, Garber, Houser, Poetter.

### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 423** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, following line 7, by inserting:

"New Section 1. (a) All powers, duties and functions of the staff of the division of the state employee health benefits plan of the department of administration established in K.S.A. 75-6501 et seq. and 75-7405(c)(7), and amendments thereto, and any other statute involving the administration of the state health care benefits program are hereby transferred to and imposed upon the insurance department under the direction of the commissioner of insurance.

(b) This section shall take effect on and after July 1, 2026.

New Sec. 2. (a) All officers and employees of the division of the state employee health benefits plan of the department of administration who, immediately prior to July 1, 2026, are engaged in the exercise and performance of the powers, duties and functions involving the administration of the state employee health benefits plan, as well as all officers and employees of the department of administration who are determined by the commissioner of insurance to be engaged in providing administrative, technical or other support services that are essential to the exercise and performance of the powers, duties and functions transferred by section 1, and

amendments thereto, are hereby transferred to the insurance department. All classified officers and employees so transferred shall retain their status as classified employees.

(b) Officers and employees of the division of the state employee health benefits plan of the department of administration transferred by this section shall retain all retirement benefits and leave balances and rights that had accrued or vested prior to the date of transfer. The service of each such officer and employee so transferred shall be deemed to have been continuous. Any subsequent transfers, layoffs or abolition of classified service positions under the Kansas civil service act shall be made in accordance with the civil service laws and any rules and regulations adopted thereunder. Nothing in this section shall affect the classified status of any transferred person employed by the division of the state employee health benefits plan of the department of administration prior to the date of transfer.

(c) Notwithstanding the effective date of this section, the provisions of this section prescribing the transfer of officers and employees from the division of the state employee health benefits plan of the department of administration to the insurance department shall commence at the start of a payroll period.

New Sec. 3. (a) The insurance department shall be the successor in every way to the powers, duties and functions of the division of the state employee health benefits plan of the department of administration involving the administration of the state health care benefits program that were vested pursuant to K.S.A. 75-37,162 through 75-37,168, prior to their repeal.

(b) Every act performed in the exercise of such transferred powers, duties and functions by or under the authority of the insurance department and the commissioner of insurance involving the administration of the state health care benefits program shall be deemed to have the same force and effect as if performed by the division of the state employee health benefits plan, the secretary of administration or the director of the state employee health benefits plan in which the same were vested pursuant to K.S.A. 75-37,162 through 75-37,168, prior to their repeal.

(c) Whenever the division of the state employee health benefits plan of the department of administration or words of like effect are referred to or designated by a statute, contract, memorandum of agreement or other document and such reference is in regard to any of the powers, duties and functions transferred to the insurance department pursuant to section 1, and amendments thereto, such reference or designation shall be deemed to apply to the insurance department.

(d) All rules and regulations, orders and directives of the division of the state employee health benefits plan of the department of administration that relate to the powers, duties and functions transferred by section 1, and amendments thereto, and are in effect on July 1, 2026, shall continue to be effective and shall be deemed to be rules and regulations, orders and directives of the commissioner of insurance until revised, amended, repealed or nullified pursuant to law.

New Sec. 4. (a) The balances of all funds or accounts thereof appropriated or reappropriated for the division of the state employee health benefits plan of the department of administration relating to the powers, duties and functions involving the administration of the state health care benefits program are hereby transferred within

the state treasury to the insurance department and shall be used only for the purpose for which the appropriation or reappropriation was originally made.

(b) Liability for all accrued compensation or salaries of officers and employees who are transferred to the insurance department pursuant to section 2, and amendments thereto, shall be assumed and paid by the insurance department.

New Sec. 5. (a) The insurance department shall succeed to all property, property rights, contracts and records that were used for or pertain to the performance of powers, duties and functions involving the administration of the state health care benefits program that were transferred to the division of the state employee health benefits plan of the department of administration pursuant to K.S.A. 75-37,162 through 75-37,168, prior to their repeal.

(b) When any conflict arises as to the disposition of any personnel, property, property right, contract, record, power, duty, function or the unexpended balance of any appropriation as result of any transfer made by or under the provisions of sections 1 through 5, and amendments thereto, such conflict shall be resolved by the commissioner of insurance, whose decision shall be final.

New Sec. 6. (a) No suit, action or other proceeding, judicial or administrative, lawfully commenced, or that could have been commenced, by or against the division of the state employee health benefits plan of the department of administration or by or against the secretary of administration in such secretary's official duties, shall abate by reason of the transfer effected under the provisions of sections 1 through 5, and amendments thereto. The court may allow any such suit, action or other proceeding to be maintained by or against the insurance department or the commissioner of insurance.

(b) No criminal action commenced or that could have been commenced by the state shall abate by reason of the transfer effected under the provisions of sections 1 through 5, and amendments thereto.

New Sec. 7. (a) All powers, duties and functions of the staff of the division of the state employee health benefits plan of the department of administration established in K.S.A. 44-575 through 44-580, and 75-7405(c)(8), and amendments thereto, and any other statute involving the administration of the state workers compensation self-insurance fund are hereby transferred to and imposed upon the insurance department, under the direction of the commissioner of insurance.

(b) The balances of all funds or accounts thereof appropriated or reappropriated for the division of the state employee health benefits plan of the department of administration or any state agency, department, board, commission or council, relating to the powers, duties and functions involving the administration of the state workers compensation self-insurance fund are hereby transferred within the state treasury to the insurance department and shall be used only for the purpose for which the appropriation or reappropriation was originally made. Liability for all accrued compensation or salaries of officers and employees who are transferred to the insurance department pursuant to this section shall be assumed and paid by the insurance department.

(c) Except as provided in this section, the commissioner of insurance shall be the successor in every way to the powers, duties and functions of the secretary of administration that relate to the state workers compensation self-insurance fund, in

which the same were vested prior to July 1, 2026.

(d) All orders and directives of the secretary of administration that relate to the state workers compensation self-insurance fund in existence immediately prior to July 1, 2026, shall continue to be effective and shall be deemed to be the orders or directives of the commissioner of insurance, until revised, amended, repealed or nullified pursuant to law.

(e) The commissioner of insurance shall succeed to all property, property rights, contracts and records that were used for or pertain to the performance of the powers, duties and functions transferred to the commissioner of insurance from the division of the state employee health benefits plan of the department of administration pursuant to this section. Any conflict as to the proper disposition of property, property rights, contracts and records arising under this section shall be resolved by the commissioner of insurance, whose decision shall be final.

(f) All officers and employees of the division of the state employee health benefits plan of the department of administration who, immediately prior to July 1, 2026, are engaged in the exercise and performance of the powers, duties and functions involving the administration of the state workers compensation self-insurance fund and transferred by this section, as well as all officers and employees of the department of administration who are determined by the commissioner of insurance to be engaged in providing administrative, technical or other support services that are essential to the exercise and performance of the powers, duties and functions transferred by this section, are hereby transferred to the insurance department, under the direction of the commissioner of insurance. All classified officers and employees so transferred shall retain their status as classified employees.

(g) Officers and employees of the division of the state employee health benefits plan of the department of administration transferred by this section shall retain all retirement benefits and leave balances and rights that had accrued or vested prior to the date of transfer. The service of each such officer or employee so transferred shall be deemed to have been continuous. Any subsequent transfers, layoffs or abolition of classified service positions under the Kansas civil service act shall be made in accordance with the civil service laws and any rules and regulations adopted thereunder. Nothing in this section shall affect the classified status of any transferred person employed by the division of the state employee health benefits plan of the department of administration prior to the date of transfer.

Sec. 8. K.S.A. 40-205a is hereby amended to read as follows: 40-205a. (a) No person shall do any act toward selling the stock of any insurance company or health maintenance organization unless such person first obtains from the commissioner of insurance written authority to engage in the business of selling the stock of such company. Such applicant shall first be appointed in writing by the president or secretary of the company for which such applicant intends to sell stock. The applicant for such license shall file with the commissioner of insurance the applicant's written application for a license authorizing the applicant to engage in the business of selling such stock. The applicant shall make sworn answers to such interrogatories as the commissioner of insurance shall require. The fee charged for the issuance of such license shall ~~be not~~ not exceed \$100 and shall be paid to the commissioner of insurance by the company

requesting such license.

(b) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the application fees required pursuant to subsection (a) for the next succeeding calendar year.

Sec. 9. K.S.A. 40-218 is hereby amended to read as follows: 40-218. (a) Every insurance company, or fraternal benefit society, on applying for authority to transact business in this state, and as a condition precedent to obtaining such authority, shall file in the insurance department its written consent, irrevocable, that any action or garnishment proceeding may be commenced against such company or fraternal benefit society in the proper court of any county in this state in which the cause of action shall arise or in which the plaintiff may reside by the service of process on the commissioner of insurance of this state; and stipulating and agreeing that such service shall be taken and held in all courts to be as valid and binding as if due service had been made upon the president or chief officer of such corporation. Such consent shall be executed by the president and secretary of the company and shall be accompanied by a duly certified copy of the order or resolution of the board of directors, trustees or managers authorizing the president and secretary to execute the same. The summons or order of garnishment, accompanied by a fee—of not to exceed \$25, shall be directed to the commissioner of insurance; and shall require the defendant or garnishee to answer or otherwise respond by a certain day, not less than 40 days from the date the summons or order of garnishment is served on the commissioner. Not later than December 1 of each year, the commissioner of insurance shall set and publish in the Kansas register the fee pursuant to this section for the next calendar year.

(b) Service on the commissioner of insurance of any process, notice or demand against an insurance company or fraternal benefit society shall be made by delivering to and leaving with the commissioner or the commissioner's designee, the original of the process and two copies of the process and the petition, notice of demand, or the clerk of the court may send the original process and two copies of both the process and petition, notice or demand directly to the commissioner by certified mail, return receipt requested. In the event that any process, notice or demand is served on the commissioner, the commissioner shall immediately cause a copy thereof to be forwarded by certified mail, return receipt requested to the insurance company or fraternal benefit society address to its general agent if such agent resides in this state or to the secretary of the insurance company or fraternal benefit society sued at its registered or principal office in any state in which it is domesticated. The commissioner of insurance shall make return of the summons to the court from whence it issued, showing the date of its receipt, the date of forwarding such copies; and the name and address of each person to whom a copy was forwarded. Such return shall be under the hand and seal of office; and shall have the same force and effect as a due and sufficient return made on process directed to a sheriff. The commissioner of insurance shall keep a suitable record in which shall be docketed every action commenced against an insurance company, the time when commenced, the date and manner of service; ~~also,~~ the date of the judgment, its amount and costs; and the date of payment thereof, which shall be certified from time to time by the clerk of the court.

Sec. 10. K.S.A. 40-252 is hereby amended to read as follows: 40-252. Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year. Every

insurance company or fraternal benefit society organized under the laws of this state or doing business in this state shall pay to the commissioner of insurance fees and taxes not to exceed the amounts specified in the following schedule:

A

*Insurance companies organized under the laws of this state:*

- 1. Capital stock insurance companies and mutual legal reserve life insurance companies:  
 Filing application for sale of stock or certificates of indebtedness.....\$25

Admission fees:

- Examination of charter and other documents.....500
- Filing annual statement.....100
- Certificate of authority.....10

Annual fees:

- Filing annual statement.....100
- Continuation of certificate of authority.....10

- 2. Mutual life, accident and health associations:

Admission fees:

- Examination of charter and other documents.....\$500
- Filing annual statement.....100
- Certificate of authority.....10

Annual fees:

- Filing annual statement.....100
- Continuation of certificate of authority.....10

- 3. Mutual fire, hail, casualty and multiple line insurers and reciprocal or interinsurance exchanges:

Admission fees:

- Examination of charter and other documents.....\$500
- Filing annual statement.....100
- Certificate of authority.....10

Annual fees:

- Filing annual statement.....100
- Continuation of certificate of authority.....10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority provided in this code, all such companies shall pay a fee of \$2 for each agent certified by the company and shall also pay a tax annually upon all premiums received on risk located in this state at the rate of ~~1% for tax year 1997, and 2% for all tax years thereafter per annum less (1) for tax years prior to 1984, any taxes paid on business in this state pursuant to the provisions of K.S.A. 40-1701 to 40-1707, inclusive, and 75-1508, and amendments thereto, and (2) for tax years 1984 and thereafter,~~ any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto, and the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company for the current tax year shall be determined by the commissioner of insurance by dividing (A) the total amount of credits against the tax imposed by this section for taxes paid by all such companies on business in this state under K.S.A. 40-1701 to 40-1707, inclusive, and amendments thereto, for tax year 1983, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, all premiums received for reinsurance from any other company authorized to do business in this state, dividends returned to policyholders and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

B

*Fraternal benefit societies organized under the laws of this state:*

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

C

*Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of this state:*

1. Mutual nonprofit hospital service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

2. Nonprofit medical service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

3. Nonprofit dental service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

4. Nonprofit optometric service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

5. Nonprofit pharmacy service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to ~~1% for tax year 1997, and 2% for all tax years thereafter~~ per annum of the total of all premiums, subscription charges, or any other term which may be used to describe the charges made by such corporation or association to subscribers for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

D

*Insurance companies organized under the laws of any other state, territory or country:*

1. Capital stock insurance companies and mutual legal reserve life insurance companies:

Filing application for sale of stock or certificates of indebtedness.....	\$25
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Admission fees:

Examination of charter and other documents.....	500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees all such companies shall pay \$5 for each agent certified

by the company, except as otherwise provided by law.

As a condition precedent to the continuation of the certificate of authority, provided in this code, every company organized under the laws of any other state of the United States or of any foreign country shall pay a tax upon all premiums received during the preceding year at the rate of 2% per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

2. Mutual life, accident and health associations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees, every such company organized under the laws of any other state of the United States shall pay \$5 for each agent certified by the company, and shall pay a tax annually upon all premiums received at the rate of 2% per annum.

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, including funds accepted before January 1, 1997, and declared and taxed as annuity premiums which, on or after January 1, 1997, are withdrawn before application to the purchase of annuities, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code of 1986. Funds received by life insurers for the purchase of annuity contracts and funds applied by life insurers to the purchase of annuities shall not be deemed taxable premiums or be subject to tax under this section for tax years commencing on or after January 1, 1997.

3. Mutual fire, casualty and multiple line insurers and reciprocal or interinsurance exchanges:

Admission fees:

Examination of charter and other documents and issuance of certificate of authority.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees, every such company or association organized under the laws of any other state of the United States shall pay a fee of \$5 for each agent certified by the company and shall also pay a tax annually upon all premiums received at the rate of 2% per annum.

For tax years 1998 and thereafter, the annual tax shall be reduced by the "applicable percentage" of (1) any taxes paid on business in this state pursuant to the provisions of K.S.A. 75-1508, and amendments thereto, and (2) the amount of the firefighters relief tax credit determined by the commissioner of insurance. The amount of the firefighters relief tax credit for a company taxable under this subsection for the current tax year shall be determined by the commissioner of insurance by dividing (A) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1701 to 40-1707, and amendments thereto, for tax year 1983 as then in effect, by (B) the total amount of taxes paid by all such companies on business in this state under K.S.A. 40-1703, and amendments thereto, for the tax year immediately preceding the current tax year, and by multiplying the result so obtained by (C) the amount of taxes paid by the company on business in this state under K.S.A. 40-1703, and amendments thereto, for the current tax year. The "applicable percentage" shall be as follows:

Tax Year	Applicable Percentage
1998	10%
1999	20%
2000	40%
2002	50%
2003	60%
2004	70%
2005	80%
2006	90%

2007\_and thereafter

100%

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, all premiums received for reinsurance from any other company authorized to do business in this state, and dividends returned to policyholders.

E

*Fraternal benefit societies organized under the laws of any other state, territory or country:*

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

F

*Mutual nonprofit hospital service corporations, nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations organized under the laws of any other state, territory or country:*

1. Mutual nonprofit hospital service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

2. Nonprofit medical service corporations, nonprofit dental service corporations, nonprofit optometric service corporations and nonprofit pharmacy service corporations:

Admission fees:

Examination of charter and other documents.....	\$500
Filing annual statement.....	100
Certificate of authority.....	10

Annual fees:

Filing annual statement.....	100
Continuation of certificate of authority.....	10

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority, provided in this code, every corporation or association shall pay annually to the commissioner of insurance a tax in an amount equal to 2% per annum of the total of all premiums, subscription charges, or any other term which may be used to describe the charges made by such corporation or association to subscribers in this state for hospital, medical or other health services or indemnity received during the preceding year. In such computations all such corporations or associations shall be entitled to deduct any premiums or subscription charges returned on account of cancellations and dividends returned to members or subscribers.

G

*Payment of taxes.*

For the purpose of insuring the collection of the tax upon premiums, assessments and charges as set out in subsection A, C, D or F, every insurance company, corporation or association shall at the time it files its annual statement, as required by the provisions of K.S.A. 40-225, and amendments thereto, make a return, generated by or at the direction of its president and secretary or other chief officers, under penalty of K.S.A. 21-5824, and amendments thereto, to the commissioner of insurance, stating the amount of all premiums, assessments and charges received by the companies or corporations in this state, whether in cash or notes, during the year ending on the December 31 next preceding.

Commencing in 1985 and annually thereafter the estimated taxes shall be paid as follows: On or before June 15 and December 15 of such year an amount equal to 50% of the full amount of the prior year's taxes as reported by the company shall be remitted to the commissioner of insurance. As used in this paragraph, "prior year's taxes" includes (1) taxes assessed pursuant to this section for the prior calendar year, (2) fees and taxes assessed pursuant to K.S.A. 40-253, and amendments thereto, for the prior calendar year, and (3) taxes paid for maintenance of the department of the state fire marshal pursuant to K.S.A. 75-1508, and amendments thereto, for the prior calendar year.

Upon the receipt of such returns the commissioner of insurance shall verify the same and assess the taxes upon such companies, corporations or associations on the basis and at the rate provided herein and the balance of such taxes shall thereupon become due and payable giving credit for amounts paid pursuant to the preceding paragraph, or the commissioner shall make a refund if the taxes paid in the prior June and December are in excess of the taxes assessed.

H

The fee prescribed for the examination of charters and other documents shall apply to each company's initial application for admission and shall not be refundable for any reason.

Sec. 11. K.S.A. 2023 Supp. 40-2,125 is hereby amended to read as follows: 40-2,125. (a) If the commissioner determines after notice and opportunity for a hearing that any person has engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order any one or more of the following:

(1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every act or violation;

(2) suspension or revocation of the person's license or certificate if such person knew or reasonably should have known that such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder; or

(3) that such person cease and desist from the unlawful act or practice and take such affirmative action as in the judgment of the commissioner will carry out the purposes of the violated or potentially violated provision.

(b) If any person fails to file any report or other information with the commissioner as required by statute or fails to respond to any proper inquiry of the commissioner, the commissioner, after notice and opportunity for hearing, may impose a civil penalty of up to \$1,000, for each violation or act, along with an additional penalty of up to \$500 for each week thereafter that such report or other information is not provided to the commissioner.

(c) If the commissioner makes written findings of fact that there is a situation involving an immediate danger to the public health, safety or welfare or the public interest will be irreparably harmed by delay in issuing an order under subsection (a)(3), the commissioner may issue an emergency temporary cease and desist order. Such order, even when not an order within the meaning of K.S.A. 77-502, and amendments thereto, shall be subject to the same procedures as an emergency order issued under K.S.A. 77-536, and amendments thereto. Upon the entry of such an order, the commissioner shall promptly notify the person subject to the order that: (1) It has been entered; (2) the reasons therefor; and (3) that upon written request within 15 days after service of the order the matter will be set for a hearing which shall be conducted in accordance with the provisions of the Kansas administrative procedure act. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to the person subject to the order, shall by written findings of fact and conclusions of law vacate, modify or make permanent the order.

(d) For purposes of this section:

(1) "Person" means any individual, ~~corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyd's insurer, fraternal benefit society and any other legal entity engaged in the business of insurance, rating organization, third party administrator, nonprofit dental service corporation, nonprofit medical and hospital~~

~~service corporation, automobile club, premium financing company, health maintenance organization, insurance holding company, mortgage guaranty insurance company, risk retention or purchasing group, prepaid legal and dental service plan, captive insurance company, automobile self-insurer or reinsurance intermediary~~ and any other legal entity under the jurisdiction of the commissioner. The term "person" does not include insurance agents and brokers as such terms are defined in K.S.A. 40-4902, and amendments thereto.

(2) "Commissioner" means the commissioner of insurance of this state.

Sec. 12. K.S.A. 40-2,133 is hereby amended to read as follows: 40-2,133. (a) No insurer may utilize or continue to utilize the services of an MGA on and after the effective date of this act unless such utilization is in compliance with this act.

(b) The insurer shall have on file an independent financial examination in a form acceptable to the commissioner of each MGA with which it has done business.

(c) If an MGA establishes loss reserves, the insurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the MGA. Such requirement shall be in addition to any other required loss reserve certification.

(d) The insurer shall periodically, but not less frequently than semi-annually, conduct an on-site review of the underwriting and claims processing operations of the MGA.

(e) Binding authority for all reinsurance contracts or participation in insurance or reinsurance syndicates shall rest with an officer of the insurer who shall not be affiliated with the MGA.

(f) Within 30 days of entering into or termination of a contract with an MGA, the insurer shall provide written notification of such appointment or termination to the commissioner. Notices of appointment of an MGA shall include:

(1) A statement of duties~~which that~~ the applicant is expected to perform on behalf of the insurer;

(2) the lines of insurance for which the applicant is to be authorized to act;

(3) a notification fee in~~the an amount of not to exceed \$100,(4);~~ and

(4) any other information the commissioner may request.

(g) An insurer shall ~~each quarter~~ review its books and records each calendar quarter to determine if any agent or broker has become, by operation of ~~subsection (d) of~~ K.S.A. 40-2,130~~(d)~~, and amendments thereto, an MGA as defined in that subsection. If the insurer determines that an agent or broker has become an MGA pursuant to the above, the insurer shall promptly notify the agent or broker and the commissioner of such determination, and the insurer and agent or broker shall fully comply with the provisions of this act within 30 days.

(h) An insurer shall not appoint to its board of directors an officer, director, employee or controlling shareholder of its MGAs. This subsection shall not apply to relationships governed by the applicable provisions of article 33 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to subsection (f) for the next calendar year.

Sec. 13. K.S.A. 40-504 is hereby amended to read as follows: 40-504. Any corporation heretofore organized and existing pursuant to law for the purpose of making

insurance on the lives of individuals, may take advantage and have the benefit of this act by filing in the office of the commissioner of insurance a declaration of the company, signed by the president and secretary, giving the name of the corporation, a copy of the bylaws, the form of application adopted by them, and a copy of the policy contract proposed to be issued to individuals, together with a fee ~~of one hundred dollars~~ not to exceed \$100. The commissioner of insurance shall submit all documents to the attorney general for ~~his~~ examination, and if found by ~~him~~ the attorney general to be in accordance with the law ~~he~~ the attorney general shall certify to and deliver the same to the commissioner of insurance, who shall retain such documents on file, and upon compliance by ~~said~~ such company with the provisions of this code the commissioner of insurance shall issue ~~his~~ a certificate authorizing ~~said~~ such company to do business in this state under the provisions of this code. Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 14. K.S.A. 40-956 is hereby amended to read as follows: 40-956. (a) (1) Any corporation, association, partnership or individual whether located in or out of the state, may apply for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application and shall file ~~therewith~~:

~~(+)~~(A) A copy of its constitution, articles of agreement or association or certificate of incorporation, and its bylaws and rules governing the conduct of its business;

~~(2)~~(B) a list of its members and subscribers;

~~(3)~~(C) the name and address of a resident of the state upon whom service of process or orders of the commissioner may be served and an irrevocable agreement to accept such service or notices; and

~~(4)~~(D) a statement of its qualification as a rating organization.

(2) Every rating organization shall notify the commissioner promptly of every change in its organizational structure, members or subscribers and the person upon whom service or notices may be made.

(3) If the commissioner finds the applicant is qualified, the commissioner shall issue a license specifying the kinds of insurance or subdivisions thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within 60 days of the date of its filing. Licenses issued pursuant to this section shall continue in force until May 1 next after their date unless suspended or revoked by the commissioner. The fee for such license shall ~~be not exceed~~ \$25 annually. Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register such fee for the next calendar year. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this section.

(b) Every rating organization shall furnish its rating services without discrimination to its members and subscribers. Subject to rules which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer or group pool, not a member, to be a subscriber to its rating service for any kind of insurance or subdivision thereof for which it is authorized to act as a rating organization. The reasonableness of any rule in its application to subscribers, or the refusal of any rating organization to admit an insurer or group pool as a subscriber, at the request of any subscriber, pool or any insurer shall be reviewed by the commissioner at a hearing.

(c) No rating organization shall adopt any rule, the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(d) The commissioner, at least once in five years, shall make or cause to be made an examination of each rating organization licensed in this state. The reasonable costs of such examination shall be paid by the rating organization examined, upon presentation to it of a detailed account of such cost. The officers, managers, agents and employees of such rating organization may be examined under oath and shall exhibit all books, records, accounts, documents or agreements governing its method of operation. The commissioner may waive such examination upon proof such rating organization has, within a reasonably recent period, been examined by the insurance supervisory official of another state, and upon filing with the commissioner a copy of the report of such examination.

(e) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this act is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of this act which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, the commissioner finds any such activity or practice is unfair, unreasonable or otherwise inconsistent with this act or other provision of the insurance laws of this state, the commissioner may issue a written order requiring discontinuance of such activities or practices.

(f) Any rating organization may provide for the examination of policies, daily reports, binders and other transaction with its members or subscribers, providing it makes reasonable rules governing those activities, ~~which~~ Such rules shall be approved by the commissioner. Such rules shall contain a provision that in the event any insurer does not within 60 days furnish satisfactory evidence to the rating organization of the correction of any error or omissions previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the commissioner thereof. All information submitted for examination shall be confidential.

(g) Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination. Any rating organization may collect, compile and distribute past and current premiums of individual insurers.";

On page 5, following line 22, by inserting:

"Sec. 17. K.S.A. 40-22a04 is hereby amended to read as follows: 40-22a04. (a) The commissioner shall adopt rules and regulations establishing standards governing the conduct of utilization review activities performed in this state or affecting residents or healthcare providers of this state by utilization review organizations. Unless granted an exemption under K.S.A. 40-22a06, and amendments thereto, no utilization review organization may conduct utilization review services in this state or affecting residents of this state without first obtaining a certificate from the commissioner.

(b) The commissioner shall not issue a certificate to a utilization review organization until the applicant:

(1) Files a formal application for certification in such form and detail as required by the commissioner and such application has been executed under oath by the chief executive officer, president or other head official of the applicant;

(2) files with the commissioner a certified copy of its charter or articles of incorporation and bylaws, if any;

(3) states the location of the office or offices of the utilization review organization where utilization review affecting residents or health care providers of this state will be principally performed;

(4) provides a summary of the qualifications and experience of persons performing utilization review affecting the persons and at the locations identified pursuant to paragraph (3);

(5) makes payment of a certification fee ~~of~~ not to exceed \$100 to the commission; and

(6) provides such other information or documentation as the commissioner requires.

(c) Certificates issued by the commissioner pursuant to this act shall remain effective until suspended, surrendered or revoked subject to payment of an annual continuation fee ~~of~~ not to exceed \$50.

(d) The commissioner may suspend or revoke the certificate or any exemption from certification requirements upon determination that the interests of Kansas insureds are not being properly served under such certificate or exemption. Any such action shall be taken only after a hearing conducted in accordance with the provisions of the Kansas administrative procedure act.

(e) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 18. K.S.A. 40-2604 is hereby amended to read as follows: 40-2604. (a) No person shall engage in the business of financing insurance premiums under this act in this state without first having obtained a license as a premium finance company from the commissioner of insurance. Every violation of any of the provisions of this act shall subject the person violating the same to a penalty not to exceed \$500 for each violation or by imprisonment not to exceed six months in jail or both.

(b) (1) The license continuation fee shall ~~be~~ not exceed \$100. The fee for such continuation shall be paid to the commissioner to be deposited in the state general fund.

(2) Licenses may be continued from year to year as of May 1 of each year upon payment of the continuation fee. Every licensee shall, on or before the first day of April, pay to the commissioner ~~the sum of~~ an amount not to exceed \$100 as a continuation fee for the succeeding year. Failure to pay the continuation fee within the time prescribed shall automatically revoke the license.

(3) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this subsection for the next calendar year.

(c) The applicant for such license shall file with the commissioner written application and shall make sworn answers to such interrogatories as the commissioner may require on forms prepared by the commissioner. The commissioner shall have authority, at any time, to require the applicant fully to disclose the identity of all stockholders, partners, officers and employees, and the commissioner may, in the exercise of discretion, refuse to issue or renew a license in the name of any firm, partnership, or corporation if not satisfied that any officer, employee, stockholder, or partner thereof who may materially influence the applicant's conduct meets the standards of this act.

Sec. 19. K.S.A. 40-2702 is hereby amended to read as follows: 40-2702. (a) As used in this act, unless the context otherwise requires, the term "insurer" means and includes all corporations, companies, associations, societies, fraternal benefit societies, mutual nonprofit hospital service and nonprofit medical service companies, partnerships and persons engaged as principals in the business of insurance of the kinds enumerated in articles 4, 5, 6, 7, 11, 18, 19, 19a, 19b, 19c, 22, 32 and 38 of chapter 40 of the Kansas Statutes Annotated, and ~~any~~ amendments thereto, insofar as the business of insurance of the kinds enumerated in such articles relate to life and accident or sickness. Whenever in this section there is reference to an act effected or committed by mail, the venue of such act shall be at the point where the matter transmitted by mail is delivered and takes effect.

It shall be unlawful for any insurer to transact insurance business in this state, as set forth in subsection (b) of this section, without a certificate of authority from the commissioner of insurance. This section shall not apply to:

(1) The lawful transaction of insurance procured by agents under the authority of K.S.A. 40-246b, 40-246c and 40-246d, and amendments thereto, relating to accident and sickness insurance;

(2) contracts of reinsurance issued by an insurer not organized under the laws of this state;

(3) transactions in this state involving a policy lawfully solicited, written and delivered outside of this state, covering only subjects of insurance not resident in this state at the time of issuance and which transactions are subsequent to the issuance of such policy;

(4) attorneys acting in the ordinary relation of attorney and client in the adjustment of claims or losses;

(5) transactions in this state involving group life and group sickness and accident or blanket sickness and accident insurance or group annuities, where the master policy of such groups was lawfully issued and delivered in and pursuant to the laws of a state in which the insurer was authorized to do an insurance business to a group organized for purposes other than the procurement of insurance and where the policyholder is domiciled or otherwise has a bona fide residence;

(6) transactions in this state involving any policy of life or accident and health insurance or annuity contract issued prior to the effective date of this act;

(7) contracts of insurance written by certain lodges, societies, persons and associations specified in K.S.A. 40-202, and amendments thereto, and organizations preempted from state jurisdiction as a result of compliance with both the employees retirement income security act of 1974, as amended, including all bonding provisions, and paragraph (9) of subsection (c) of section 501 of the internal revenue code; and

(8) any life insurance company organized and operated, without profit to any private shareholder or individual, exclusively for the purpose of aiding and strengthening educational institutions, organized and operated without profit to any private shareholder or individual, by issuing insurance and annuity contracts directly from the home office of the company, without insurance agents or insurance representatives in this state, only to or for the benefit of such institutions and individuals engaged in the services of such institutions, but this exemption shall be conditioned upon any such company complying with the following requirements:

(i) Payment of an annual registration fee ~~of~~ not to exceed \$500;

(ii) filing a copy of the form of any policy or contract issued to Kansas residents with the commissioner of insurance;

(iii) filing a copy of its annual statement prepared pursuant to the laws of its state of domicile, as well as such other financial material as may be requested, with the commissioner of insurance; and

(iv) providing, in such form as may be prescribed by the commissioner of insurance, for the appointment of the commissioner of insurance as its true and lawful attorney upon whom may be served all lawful process in any action or proceeding against such company arising out of any policy or contract it has issued to, or which is currently held by, a Kansas citizen and process so served against such company shall have the same force and validity as if served upon the company.

(b) Any of the following acts in this state effected by mail or otherwise by or on behalf of an unauthorized insurer is deemed to constitute the transaction of an insurance business in this state:

(1) The making of or proposing to make, as an insurer, an insurance contract;

(2) the taking or receiving of any application for insurance;

(3) the receiving or collection of any premium, commission, membership fees, assessments, dues or other consideration for any insurance or any part thereof;

(4) the issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state;

(5) directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications or delivery of policies or contracts or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident in this state. Nothing herein shall be construed to prohibit full-time salaried employees of a corporate insured from acting in the capacity of an insurance manager or buyer in placing insurance in behalf of such employer;

(6) the transaction of any kind of insurance business specifically recognized as transacting an insurance business within the meaning of the statutes relating to insurance; or

(7) the transacting of or proposing to transact any insurance business, in substance equivalent to any of the foregoing, in a manner designed to evade the provisions of this act.

(c) (1) The failure of an insurer transacting insurance business in this state to obtain a certificate of authority from the commissioner of insurance shall not impair the validity of any act or contract of such insurer and shall not prevent such insurer from defending any action at law or suit in equity in any court of this state, but no insurer transacting insurance business in this state without a certificate of authority shall be permitted to maintain an action in any court of this state to enforce any right, claim or demand arising out of the transaction of such business until such insurer shall have obtained a certificate of authority.

(2) In the event of failure of any such unauthorized insurer to pay any claim or loss within the provisions of such insurance contract, any person who assisted or in any manner aided, directly or indirectly, in the procurement of such insurance contract shall

be liable to the insured for the full amount of the claim or loss in the manner provided by the provisions of such insurance contract.

(d) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.":

On page 7, following line 5, by inserting:

"Sec. 21. K.S.A. 40-3213 is hereby amended to read as follows: 40-3213. (a) (1) Every health maintenance organization and medicare provider organization subject to this act shall pay to the commissioner the following fees:

~~(+)(A)~~ For filing an application for a certificate of authority, an amount not to exceed \$150;

~~(-)(B)~~ for filing each annual report, an amount not to exceed \$50;

~~(-)(C)~~ for filing an amendment to the certificate of authority, an amount not to exceed \$10.

(2) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this subsection for the next calendar year.

(b) Every health maintenance organization subject to this act shall pay annually to the commissioner at the time such organization files its annual report, a privilege fee in an amount equal to the following percentages of the total of all premiums, subscription charges or any other term that may be used to describe the charges made by such organization to enrollees: 3.31% during the reporting period beginning January 1, 2015, and ending December 31, 2017; and 5.77% on and after January 1, 2018. In such computations all such organizations shall be entitled to deduct therefrom any premiums or subscription charges returned on account of cancellations and dividends returned to enrollees. If the commissioner shall determine at any time that the application of the privilege fee, or a change in the rate of the privilege fee, would cause a denial of, reduction in or elimination of federal financial assistance to the state or to any health maintenance organization subject to this act, the commissioner is hereby authorized to terminate the operation of such privilege fee or the change in such privilege fee.

(c) For the purpose of insuring the collection of the privilege fee provided for by subsection (b), every health maintenance organization subject to this act and required by subsection (b) to pay such privilege fee shall at the time it files its annual report, as required by K.S.A. 40-3220, and amendments thereto, make a return, generated by or at the direction of its chief officer or principal managing director, under penalty of K.S.A. 21-5824, and amendments thereto, to the commissioner, stating the amount of all premiums, assessments and charges received by the health maintenance organization, whether in cash or notes, during the year ending on the last day of the preceding calendar year. Upon the receipt of such returns the commissioner of insurance shall verify such returns and reconcile the fees pursuant to subsection (f) upon such organization on the basis and at the rate provided in this section.

(d) Premiums or other charges received by an insurance company from the operation of a health maintenance organization subject to this act shall not be subject to any fee or tax imposed under the provisions of K.S.A. 40-252, and amendments thereto.

(e) Fees charged under this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the

state treasury to the credit of the medical assistance fee fund created by K.S.A. 40-3236, and amendments thereto.

(f) (1) ~~On and after January 1, 2018,~~ In addition to any other filing or return required by this section, each health maintenance organization shall submit a report to the commissioner on or before March 31 and September 30 of each year containing an estimate of the total amount of all premiums, subscription charges or any other term that may be used to describe the charges made by such organization to enrollees that the organization expects to collect during the current calendar year. Upon filing each March 31 report, the organization shall submit payment equal to  $\frac{1}{2}$  of the privilege fee that would be assessed by the commissioner for the current calendar year based upon the organization's reported estimate. Upon filing each September 30 report, the organization shall submit payment equal to the balance of the privilege fee that would be assessed by the commissioner for the current calendar year based upon the organization's reported estimates.

(2) Any amount of privilege fees actually owed by a health maintenance organization during any calendar year in excess of estimated privilege fees paid shall be assessed by the commissioner and shall be due and payable upon issuance of such assessment.

(3) Any amount of estimated privilege fees paid by a health maintenance organization during any calendar year in excess of privilege fees actually owed shall be reconciled when the commissioner assesses privilege fees in the ensuing calendar year. The commissioner shall credit such excess amount against future privilege fee assessments. Any such excess amount paid by a health maintenance organization that is no longer doing business in Kansas and that no longer has a duty to pay the privilege fee shall be refunded by the commissioner from funds appropriated by the legislature for such purpose.

Sec. 22. K.S.A. 40-3304 is hereby amended to read as follows: 40-3304. (a) (1) No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities or, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, such person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of such insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time any such offer, request, or invitation is made or any such agreement is entered into, or prior to the acquisition of such securities if no offer or agreement is involved, such person has filed with the commissioner of insurance and has sent to such insurer, a statement containing the information required by this section and such offer, request, invitation, agreement or acquisition has been approved by the commissioner of insurance in the manner hereinafter prescribed. The requirements of this section shall not apply to the merger or consolidation of those companies subject to the requirements of K.S.A. 40-507 and 40-1216 through 40-1225, and amendments thereto.

(2) For purposes of this section, any controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days prior to the cessation of control. The commissioner shall determine those instances in which each party seeking to divest or to acquire a

controlling interest in an insurer shall be required to file for and obtain approval of the transaction. The information shall remain confidential until the conclusion of the transaction unless the commissioner, in the commissioner's discretion, determines that confidential treatment will interfere with enforcement of this section. If the statement referred to in paragraph (1) is otherwise filed, this paragraph shall not apply.

(3) With respect to a transaction subject to this section, the acquiring person shall also be required to file a preacquisition notification with the commissioner, and such preacquisition notification shall contain the information in the form and manner prescribed by the commissioner through rules and regulations.

(4) For the purposes of this section:

(A) A domestic insurer shall include any person controlling a domestic insurer unless such person as determined by the commissioner of insurance is either directly or through its affiliates primarily engaged in business other than the business of insurance.

(B) "Person" shall not include any securities broker holding, in the usual and customary broker's function, less than 20% of the voting securities of the insurance company or of any person which controls the insurance company.

(b) The statement to be filed with the commissioner of insurance hereunder shall be made under oath or affirmation, shall be accompanied by a nonrefundable filing fee ~~of~~ not to exceed \$1,000 and shall contain the following information:

(1) The name and address of each person by whom or on whose behalf the merger or other acquisition of control referred to in subsection (a) is to be affected, hereinafter called "acquiring party," and:

(A) If such person is an individual, such individual's principal occupation, all offices and positions held by such individual during the past five years and any conviction of crimes other than minor traffic violations during the past 10 years;

(B) if such person is not an individual, a report of the nature of its business operations during the past five years or for such lesser period as such person and any predecessors thereof shall have been in existence; an informative description of the business intended to be done by such person and such person's subsidiaries; and a list of all individuals who are or who have been selected to become directors or executive officers of such person, or who perform or will perform functions appropriate to such positions. Such list shall include for each such individual the information required by subparagraph (A);

(2) the source, nature and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction wherein funds were or are to be obtained for any such purpose including any pledge of the insurer's stock, or the stock of any of its subsidiaries or controlling affiliates, and the identity of persons furnishing such consideration, except that where a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential, if the person filing such statement so requests;

(3) fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five fiscal years of each such acquiring party or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence and similar unaudited information as of a date not earlier than 90 days prior to the filing of the statement;

(4) any plans or proposals that each acquiring party may have to liquidate such insurer, to sell its assets, merge or consolidate it with any person or to make any other

material change to its business, corporate structure or management;

(5) the number of shares of any security referred to in subsection (a) that each acquiring party proposes to acquire and the terms of the offer, request, invitation, agreement or acquisition referred to in subsection (a) and a statement regarding the method utilized to determine the fairness of the proposal;

(6) the amount of each class of any security referred to in subsection (a) that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party;

(7) a full description of any contracts, arrangements or understandings with respect to any security referred to in subsection (a) in which any acquiring party is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into;

(8) a description of the purchase of any security referred to in subsection (a) during the 12 calendar months preceding the filing of the statement, by any acquiring party, including the dates of purchase, names of the purchasers and consideration paid or agreed to be paid therefor;

(9) a description of any recommendations to purchase any security referred to in subsection (a) made during the 12 calendar months preceding the filing of the statement, by any acquiring party, or by anyone based upon interviews or at the suggestion of such acquiring party;

(10) copies of all tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any securities referred to in subsection (a) and, if distributed, of additional soliciting material relating thereto;

(11) the terms of any agreement, contract or understanding made with or proposed to be made with any broker-dealer as to solicitation of securities referred to in subsection (a) for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto;

(12) an agreement by the person required to file the statement referred to in subsection (a) that such person will provide the annual report, specified in K.S.A. 40-3305(l), and amendments thereto, for so long as control exists;

(13) an acknowledgment by the person required to file the statement referred to in subsection (a) that the person and all subsidiaries within its control in the insurance holding company system will provide to the commissioner of insurance upon request such information as the commissioner of insurance deems necessary to evaluate enterprise risk to the insurer; and

(14) such additional information as the commissioner of insurance may by rule or regulation prescribe as necessary or appropriate for the protection of policyholders of the insurer or in the public interest.

If the person required to file the statement referred to in subsection (a) is a partnership, limited partnership, syndicate or other group, the commissioner of insurance may require that the information called for by paragraphs (1) through (14) shall be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group and each person who controls such partner or member. If any such partner, member or person is a corporation or the person required

to file the statement referred to in subsection (a) is a corporation, the commissioner of insurance may require that the information called for by paragraphs (1) through (14) shall be given with respect to such corporation, each officer and director of such corporation and each person who is directly or indirectly the beneficial owner of more than 10% of the outstanding voting securities of such corporation.

If any material change occurs in the facts set forth in the statement filed with the commissioner of insurance and sent to such insurer pursuant to this section, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the commissioner of insurance and sent to such insurer within two business days after the person learns of such change.

(c) If any offer, request, invitation, agreement or acquisition referred to in subsection (a) is proposed to be made by means of a registration statement under the securities act of 1933 or in circumstances requiring the disclosure of similar information under the securities exchange act of 1934, or under a state law requiring similar registration or disclosure, the person required to file the statement referred to in subsection (a) may utilize such documents in furnishing the information called for by that statement.

(d) (1) The commissioner of insurance shall approve any merger or other acquisition of control referred to in subsection (a) unless, after a public hearing thereon conducted in accordance with the provisions of the Kansas administrative procedure act, the commissioner of insurance finds that:

(A) After the change of control the domestic insurer referred to in subsection (a) would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(B) the financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer or prejudice the interest of its policyholders;

(C) the plans or proposals which the acquiring party has to liquidate the insurer, sell its assets, consolidate or merge it with any person, or to make any other material change in its business, corporate structure or management, are unfair and unreasonable to policyholders of the insurer or are not in the public interest;

(D) the competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer or of the public to permit the merger or other acquisition of control; or

(E) the acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

(2) The public hearing referred to in subsection (d)(1) shall be held as soon as practical after the statement required by this subsection (a) is filed, and at least 20 days' notice thereof shall be given by the commissioner of insurance to the person filing the statement. Not less than seven days' notice of such public hearing shall be given by the person filing the statement to the insurer and to such other persons as may be designated by the commissioner of insurance. At such hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent and any other person whose interests may be affected thereby shall have the right to present evidence, examine and cross-examine witnesses and offer oral and written arguments in accordance with the Kansas administrative procedure act. In the absence of intervention, such insurer or person shall have the right to present oral or written statements in accordance with K.S.A. 77-523(c), and amendments thereto.

(3) If the proposed acquisition of control will require the approval of more than one commissioner of insurance, the public hearing referred to in paragraph (2) may be held on a consolidated basis upon request of the person filing the statement referred to in subsection (a). Such person shall file the statement referred to in subsection (a) with the national association of insurance commissioners within five days of making the request for a public hearing. A commissioner of insurance may opt out of a consolidated hearing and shall provide notice to the applicant of the opt-out within 10 days of the receipt of the statement referred to in subsection (a). A hearing conducted on a consolidated basis shall be public and shall be held within the United States before the commissioners of insurance of the states in which the insurers are domiciled. Such commissioners of insurance shall hear and receive evidence. A commissioner of insurance may attend such hearing in person or by telecommunication.

(4) As a condition of a change of control of a domestic insurer, any determination by the commissioner of insurance that the person acquiring control of the insurer shall be required to maintain or restore the capital of the insurer to the level required by the laws and regulations of this state shall be made not later than 60 days after the date of notification of the change in control submitted pursuant to subsection (a).

(5) The commissioner of insurance may retain at the acquiring person's expense any attorneys, actuaries, accountants and other experts not otherwise a part of the staff of the commissioner of insurance as the commissioner of insurance deems to be reasonably necessary to assist the commissioner of insurance in reviewing the proposed acquisition of control.

(e) The provisions of this section shall not apply to any offer, request, invitation, agreement or acquisition that the commissioner of insurance by order shall exempt therefrom as:

(1) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer; or

(2) as otherwise not comprehended within the purposes of this section.

(f) The following shall be violations of this section:

(1) The failure to file any statement, amendment or other material required to be filed pursuant to subsection (a) or (b); or

(2) the effectuation or any attempt to effectuate an acquisition of control of, or merger with, a domestic insurer unless the commissioner of insurance has given the requisite approval thereto.

(g) The courts of this state are hereby vested with jurisdiction over every securityholder of a domestic insurer and every person not resident, domiciled or authorized to do business in this state who files a statement with the commissioner of insurance under this section and over all actions involving such person arising out of violations of this section. Each such person shall be deemed to have performed acts equivalent to and constituting an appointment by such a person of the commissioner of insurance to be such person's true and lawful attorney upon whom may be served all lawful process in any action, suit or proceeding arising out of violations of this section. Copies of all such lawful process shall be served on the commissioner of insurance and transmitted by registered or certified mail by the commissioner of insurance to such person at such person's last known address.

(h) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar

year.";

On page 9, following line 35, by inserting:

"Sec. 24. K.S.A. 40-3812 is hereby amended to read as follows: 40-3812. (a) A person shall apply to be an administrator in its home state and shall receive a license from the regulatory authority of its home state prior to performing any function of an administrator in this state.

(b) A person applying to Kansas as its home state shall apply for licensure by submitting to the commissioner an application in the form prescribed by the commissioner that shall include or be accompanied by the following information and documents:

(1) All basic organizational documents of the applicant, including any articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement, certificate of existence from the Kansas secretary of state and other applicable documents and all amendments to such documents;

(2) the bylaws, rules, regulations or similar documents regulating the internal affairs of the applicant;

(3) NAIC biographical affidavits for the individuals who are directly or indirectly responsible for the conduct of affairs of the applicant, including all members of the board of directors, board of trustees, executive committee or other governing board or committee, the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholders or members holding directly or indirectly 10% or more of the voting stock, voting securities or voting interest of the applicant and any other person who directly or indirectly exercises control or influence over the affairs of the applicant;

(4) audited annual financial statements or reports for the two most recent fiscal years that demonstrate that the applicant has a positive net worth. If the applicant has been in existence for less than two fiscal years, the uniform application shall include financial statements or reports, certified by at least two officers, owners or directors of the applicant and prepared in accordance with GAAP, for any completed fiscal years and for any month during the current fiscal year for which such financial statements or reports have been completed. An audited annual financial report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

(A) Amounts shown on the consolidated audited financial report shown on the worksheet;

(B) amounts for each entity stated separately; and

(C) explanations of consolidating and eliminating entries included.

The applicant shall also include such other information as the commissioner may require in order to review the current financial condition of the applicant;

(5) in lieu of submitting audited financial statements, and upon written application by an applicant and good cause shown, the commissioner may grant a hardship exemption from filing audited financial statements and allow the submission of unaudited financial statements. Acceptable formats for unaudited financial statements, that shall include notes, are:

(A) Reports compiled or reviewed by a certified public accountant; or

(B) internal financial reports prepared in accordance with GAAP, certified by at

least two officers, owners or directors of the administrator.

If unaudited financial statements are submitted, the applicant must also secure and maintain a surety bond in a form prescribed by the commissioner for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty, for the greater of 10% of funds handled for the benefit of Kansas residents or \$20,000. Administrators of self-funded plans in Kansas are subject to the mandatory surety bond requirement found in subsection (h), regardless of whether they file audited or unaudited financial reports;

(6) a statement describing the business plan, including information on staffing levels and activities, proposed in this state and nationwide. The plan shall provide details setting forth the applicant's capability for providing a sufficient number of experienced and qualified personnel in the areas of claims processing, record keeping and underwriting;

(7) a license application fee in ~~the amount of~~ an amount not to exceed \$400; and

(8) such other pertinent information as may be required by the commissioner.

(c) An administrator licensed or applying for licensure under the provisions of this section shall make available for inspection by the commissioner, copies of all contracts with payors or other persons utilizing the services of the administrator.

(d) An administrator licensed or applying for licensure under the provisions of this section shall produce its accounts, records and files for examination, and makes its officers available to give information with respect to its affairs, as often as reasonably required by the commissioner.

(e) The commissioner may refuse to issue a license if the commissioner determines that the applicant or any individual responsible for the conduct of affairs of the applicant is not competent, trustworthy, financially responsible or of good personal and business reputation, or has had an insurance or an administrator certificate of authority or license denied or revoked for cause by any jurisdiction, or if the commissioner determines that any of the grounds set forth in K.S.A. 40-3810, and amendments thereto, exist with respect to the applicant.

(f) A license issued under this section shall remain valid, unless surrendered, suspended or revoked by the commissioner, for so long as the administrator continues in business in this state and remains in compliance with the provisions of this act and any applicable rules and regulations.

(g) An administrator licensed or applying for licensure under the provisions of this section shall immediately notify the commissioner of any material change in its ownership, control or other fact or circumstance affecting its qualification for a license in this state.

(h) An administrator licensed or applying for a home state license that administers or will administer governmental or church self-insured plans in this state or any other state shall maintain a surety bond for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty. The bond shall be in the greater of the following amounts:

(1) \$100,000; or

(2) an amount equal to 10% of the aggregate total amount of self-funded coverage under church plans or governmental plans handled in this state and all additional states

in which the administrator is authorized to do business.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 25. K.S.A. 40-3813 is hereby amended to read as follows: 40-3813. (a) Unless an administrator has obtained a home state license in this state, any administrator who performs duties as an administrator in this state shall obtain a nonresident administrator license in accordance with the provisions of this section by filing with the commissioner the uniform application, accompanied by a letter of certification. In lieu of requiring an administrator to file a letter of certification with the uniform application, the commissioner may verify the nonresident administrator's home state certificate of authority or license status through an electronic database maintained by the NAIC, its affiliates or subsidiaries.

(b) An administrator shall not be eligible for a nonresident administrator license under the provisions of this section if it does not hold a license in a home state that has adopted a substantially similar law governing administrators.

(c) Except as provided in subsections (b) and (h) the commissioner shall issue to the administrator a nonresident administrator license promptly upon receipt of a complete application.

(d) Each nonresident administrator shall file biennially, as a part of its application for renewal of its license, a statement that its home state administrator license remains in force and has not been revoked or suspended by its home state during the preceding years. Each nonresident administrator renewal application shall be accompanied by a renewal application fee ~~in the amount of~~ an amount not to exceed \$200.

(e) At the time of filing the application for licensing required under the provisions of this section, the nonresident administrator shall pay a license application fee ~~in the amount of~~ an amount not to exceed \$400.

(f) An administrator licensed or applying for licensure under the provisions of this section shall produce its accounts, records and files for examination, and make its officers available to give information with respect to its affairs, as often as reasonably required by the commissioner.

(g) A nonresident administrator is not required to hold a nonresident administrator license in this state if the administrator is licensed in its home state and the administrator's duties in this state are limited to:

(1) The administration of a group policy or plan and no more than a total of 20% of covered persons, for all plans the administrator services, reside in this state; and

(2) the total number of covered persons residing in this state is less than 100.

(h) The commissioner may refuse to issue a nonresident administrator license, or delay the issuance of a nonresident administrator license, if the commissioner determines that, due to events or information obtained subsequent to the home state's licensure of the administrator, the nonresident administrator cannot satisfy the requirements of this act or that grounds exist for the home state's revocation or suspension of the administrator's home state certificate of authority or license.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 26. K.S.A. 40-3814 is hereby amended to read as follows: 40-3814. (a) Each administrator licensed under the provisions of this act shall file an annual report for the preceding calendar year with the commissioner on or before July 1 of each year, or

within such extension of time as the commissioner may grant for good cause, accompanied by an annual report fee ~~in the amount of~~ an amount not to exceed \$100. The annual report shall include:

(1) An audited financial statement attested to by an independent certified public accountant. An audited annual financial report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

(A) Amounts shown on the consolidated audited financial report shown on the worksheet;

(B) amounts for each entity stated separately; and

(C) explanations of consolidating and eliminating entries included.

(2) In lieu of submitting an audited financial statement, and upon written application by an administrator and good cause shown, the commissioner may grant a hardship exemption from filing audited financial statements and allow the submission of unaudited financial statements. Acceptable formats for unaudited financial statements, that shall include notes, are:

(A) Reports compiled or reviewed by a certified public accountant; or

(B) internal financial reports prepared in accordance with GAAP, certified by at least two officers, owners or directors of the administrator.

If unaudited financial statements are submitted, the administrator must secure and maintain a surety bond in a form prescribed by the commissioner for the use and benefit of the commissioner to be held in trust for the benefit and protection of covered persons and any payor or self-funded plan against loss by reason of acts of fraud or dishonesty, for the greater of 10% of funds handled for the benefit of Kansas residents or \$20,000.

(b) The annual report shall be in the form and contain such matters as the commissioner prescribes and shall be verified by at least two officers, owners or directors of the administrator.

(c) The annual report shall include the complete names and addresses of all payors and for self-funded plans, all employers and trusts, with which the administrator had agreements during the preceding fiscal year. The report shall also include the number of Kansas residents covered by each of the plans.

(d) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 27. K.S.A. 2023 Supp. 40-3823 is hereby amended to read as follows: 40-3823. (a) No person shall act or operate as a pharmacy benefits manager without first obtaining a valid license issued by the commissioner.

(b) Each person seeking a license to act as a pharmacy benefits manager shall file with the commissioner an application for a license upon a form to be furnished by the commissioner. At a minimum, the application form shall include the following information:

(1) The name, address and telephone number of the pharmacy benefits manager.

(2) The name, address, official position and professional qualifications of each individual who is responsible for the conduct of the affairs of the pharmacy benefits manager, including all members of the board of directors, board of trustees, executive committee, other governing board or committee, the principal officers in the case of a corporation, the partners or members in the case of a partnership or association.

(3) The name and address of the applicant's agent for service of process in the state.

(4) The name, address, phone number, email address and official position of the employee who will serve as the primary contact for the department.

(5) A copy of the pharmacy benefits manager's corporate charter, articles of incorporation or other charter document.

(6) A template contract, which shall include a dispute resolution process, that ultimately involves an independent fact finder between:

(A) The pharmacy benefits manager and the health insurer; or

(B) the pharmacy benefits manager and the pharmacy or a pharmacy's contracting agent.

(7) A network adequacy report on a form prescribed by the department through rules and regulations.

(c) A nonrefundable application fee ~~of not to exceed~~ \$2,500.

(d) The licensee shall inform the commissioner, by any means acceptable to the commissioner, of any material change in the information required by this subsection within 90 days of such change. Failure to timely inform the commissioner of a material change may result in a penalty against the licensee ~~in the amount of an amount not to exceed~~ \$500.

(e) Within 90 days after receipt of a completed application, the network adequacy report and the applicable license fee, the commissioner shall review the application and issue a license if the applicant is deemed qualified under this section. If the commissioner determines that the applicant is not qualified, the commissioner shall notify the applicant and shall specify the reason for the denial.

(f) (1) All documents, materials or other information and copies thereof in the possession or control of the department or any other governmental entity that are obtained by or disclosed to the commissioner or any other person in the course of an application, examination or investigation made pursuant to this act shall be confidential by law and privileged, shall not be subject to any open records, freedom of information, sunshine or other public record disclosure laws, and shall not be subject to subpoena or discovery.

(2) The provisions of paragraph (1) shall only apply to the disclosure of the confidential documents described in paragraph (1) by the department or any other governmental entity and shall not be construed to create any privilege in favor of any other party.

(3) The provisions of this subsection shall expire on July 1, 2027, unless the legislature reviews and reenacts this provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2027.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 28. K.S.A. 2023 Supp. 40-3824 is hereby amended to read as follows: 40-3824. (a) Each pharmacy benefits manager license shall expire on March 31 each year and may be renewed annually on the request of the licensee. The application for renewal shall be submitted on a form furnished by the commissioner and accompanied by a renewal fee ~~of not to exceed~~ \$2,500. The application for renewal shall be in such form and contain such matters as the commissioner prescribes.

(b) If a license renewal fee is not paid by the prescribed date, the amount of the fee, plus a penalty fee ~~of not to exceed~~ \$2,500 shall be paid. The pharmacy benefits

manager's license may be revoked or suspended by the commissioner until the renewal fee and any penalty assessed has been paid.

(c) Any person who performs or is performing any pharmacy benefits management service shall be required to obtain a license as a pharmacy benefits manager from the commissioner not later than January 1, 2023, in order to continue to do business in Kansas.

(d) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 29. K.S.A. 40-4103 is hereby amended to read as follows: 40-4103. Risk retention groups chartered in states other than this state seeking to do business as a risk retention group in this state shall observe and abide by the laws of this state as follows:

(a) *Notice of operations and designation of commissioner as agent.* Before offering insurance in this state, a risk retention group shall submit to the commissioner:

(1) A statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering, its principal place of business and such other information including information on its membership, as the commissioner of this state may require to verify that the risk retention group is qualified under K.S.A. 40-4101(k), and amendments thereto;

(2) a copy of its plan of operations or a feasibility study and revisions of such plan or study submitted to its state of domicile, except that the provision relating to the submission of a plan of operation or a feasibility study shall not apply with respect to any line or classification of liability insurance that:

(A) Was defined in the product liability risk retention act of 1981 before October 27, 1986; and

(B) was offered before such date by any risk retention group that had been chartered and operating for not less than three years before such date;

(3) a statement of registration that designates the commissioner as its agent for the purpose of receiving service of legal documents or process; and

(4) a notification fee ~~in the amount of~~ an amount not to exceed \$250.

(b) *Financial condition.* Any risk retention group doing business in this state shall submit to the commissioner:

(1) A copy of the group's financial statement submitted to its state of domicile that contains a statement of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist under criteria established by the national association of insurance commissioners;

(2) a copy of each examination of the risk retention group as certified by the commissioner or public official conducting the examination;

(3) upon request by the commissioner, a copy of any audit performed with respect to the risk retention group; and

(4) such information as may be required to verify its continuing qualification as a risk retention group under K.S.A. 40-4101(k), and amendments thereto.

(c) *Taxation.* (1) All premiums paid for coverages within this state to risk retention groups chartered outside this state shall be subject to taxation at the same rate and subject to the same interest, fines and penalties for nonpayment as that provided by K.S.A. 40-246c, and amendments thereto. Risk retention groups chartered or licensed in this state shall be taxed in accordance with K.S.A. 40-252, and amendments thereto.

(2) To the extent agents or brokers are utilized, they shall report and pay the taxes for the premiums for risks that they have placed with or on behalf of a risk retention group not chartered in this state.

(3) To the extent agents or brokers are not utilized or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the state. Each risk retention group shall report all premiums paid to it for risks insured within the state.

(d) *Compliance with unfair claims settlement practices law.* Any risk retention group, its agents and representatives, shall comply with K.S.A. 40-2404(9), and amendments thereto.

(e) *Deceptive, false or fraudulent practices.* Any risk retention group shall comply with the laws of this state regarding deceptive, false or fraudulent acts or practices, except that if the commissioner seeks an injunction regarding such conduct, the injunction shall be obtained from a court of competent jurisdiction.

(f) *Examination regarding financial condition.* Any risk retention group shall submit to an examination in accordance with K.S.A. 40-222 and 40-223, and amendments thereto, by the commissioner to determine its financial condition if the commissioner of the jurisdiction in which the group is chartered has not initiated an examination or does not initiate an examination within 60 days after a request by the commissioner of this state.

(g) *Notice to purchasers.* Any policy issued by a risk retention group shall contain in 10 point type on the front page and the declaration page, the following notice:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

(h) *Prohibited acts regarding solicitation or sale.* The following acts by a risk retention group are hereby prohibited:

(1) The solicitation or sale of insurance by a risk retention group to any person who is not eligible for membership in such group; and

(2) the solicitation or sale of insurance by, or operation of, a risk retention group that is in a hazardous financial condition or is financially impaired.

(i) *Prohibition on ownership by an insurance company.* No risk retention group shall be allowed to do business in this state if an insurance company is directly or indirectly a retention group all of whose members are insurance companies.

(j) *Prohibited coverage.* No risk retention group may offer insurance policy coverage prohibited by the laws of this state or declared unlawful by the supreme court of the state of Kansas.

(k) *Delinquency proceedings.* A risk retention group not chartered in this state and doing business in this state must comply with a lawful order issued in a voluntary dissolution proceeding or in a delinquency proceeding commenced by a state insurance commissioner if there has been a finding of financial impairment after an examination under subsection (f).

(l) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 30. K.S.A. 40-4116 is hereby amended to read as follows: 40-4116. (a) A purchasing group which intends to do business in this state shall furnish notice to the commissioner ~~which that~~ shall:

- (1) Identify the state in which the group is domiciled;
- (2) specify the lines and classifications of liability insurance which the purchasing group intends to purchase;
- (3) identify the insurance company from which the group intends to purchase its insurance and the domicile of such company;
- (4) identify the principal place of business of the group; and
- (5) provide such other information as may be required by the commissioner to verify that the purchasing group is qualified under ~~subsection (j)~~ of K.S.A. 40-4101(j), and amendments thereto.

The notice submitted to the commissioner shall be accompanied by a notification fee ~~of not to exceed~~ \$250.

(b) The purchasing group shall file with the insurance department its written consent, irrevocable, that any action or garnishment proceeding may be commenced against such group in the proper court of any county in this state in which the cause of action shall arise or in which the plaintiff may reside by the service of process on the commissioner of insurance of this state and stipulating and agreeing that such service shall be taken and held in all courts to be as valid and binding as if due service had been made upon the president or chief officer of such corporation. Such consent shall be executed by the president of the company and shall be accompanied by a certified copy of the order or resolution of the board of directors, trustees or managers authorizing the president to execute the same. The summons, accompanied by a fee ~~of not to exceed~~ \$25 shall be directed to the commissioner of insurance and shall require the defendant to answer not less than 40 days from its date. Such summons, and a certified copy of the petition shall be forthwith forwarded by the clerk of the court to the commissioner of insurance, who shall immediately forward a copy of the summons and the certified copy of the petition, to the president of the group sued and thereupon the commissioner of insurance shall make return of the summons to the court from which it issued, showing the date of the receipt by the commissioner, the date of forwarding of such copies and the name and address of the person to whom the commissioner forwarded the copy. Such return shall be made under the commissioner's hand and seal of office; and shall have the same force and effect as a due and sufficient return made by the sheriff on process directed to the sheriff. The foregoing shall not apply in the case of a purchasing group ~~which that~~:

- (1) (A) Was domiciled before April 2, 1986; and
- (B) is domiciled on and after October 27, 1986, in any state of the United States;
- (2) (A) before October 27, 1986, purchased insurance from an insurance carrier licensed in any state; and
- (B) since October 27, 1986, purchased its insurance from an insurance carrier licensed in any state;
- (3) was a purchasing group under the requirements of the product liability retention act of 1981 before October 27, 1986; and
- (4) does not purchase insurance that was not authorized for purposes of an exemption under that act, as in effect before October 27, 1986.

(c) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 31. K.S.A. 2023 Supp. 40-4209 is hereby amended to read as follows: 40-4209. (a) (1) No person shall act as or hold such person out to be a prepaid service plan

in this state unless such person holds a certificate of registration as a prepaid service plan issued by the commissioner of insurance. An application for such certificate may be made to the commissioner of insurance on forms prescribed by the commissioner and shall include:

- (A) The completed application form;
- (B) a list of each individual who solicits memberships on behalf of such prepaid service plan; and
- (C) a filing fee of \$100.

(2) The certificate of registration may be continued for successive annual periods by notifying the commissioner of such intent, paying an annual continuation fee ~~of not to exceed~~ \$50 and advising the commissioner of insurance of any additions to or deletions from the list of individuals who solicit memberships on behalf of such prepaid service plan since the last reporting date.

(b) The certificate of registration shall be issued to or continued for a prepaid service plan by the commissioner of insurance unless the commissioner of insurance, after due notice and hearing, determines that the prepaid service plan is not competent, trustworthy, financially responsible or of good personal and business reputation, or has had a previous application for a certificate of registration denied for cause since January 1, 1988, or within five years of the date of application, whichever is later.

(c) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 32. K.S.A. 2023 Supp. 40-4302 is hereby amended to read as follows: 40-4302. (a) Any captive insurance company, when permitted by its organizational documents, may apply to the commissioner for a certificate of authority to do any and all insurance comprised in K.S.A. 40-901 et seq., 40-1102(1)(a), (1)(c) through (1)(n), and amendments thereto, and to issue life, accident and health insurance policies provided that:

(1) No pure captive insurance company shall insure any risks other than those of its parent and affiliated companies and, upon prior approval of the commissioner, any controlled unaffiliated business up to 5% of total direct written premium;

(2) no association captive insurance company shall insure any risks other than those of its association and those of the member organizations of its association. No association captive insurance company shall expose itself to loss on any one risk or hazard in an amount exceeding 10% of its paid-up capital and surplus;

(3) no captive insurance company shall provide personal lines of insurance, workers' compensation, employers' liability insurance coverage, long-term care coverage, critical care coverage, surety, title insurance, credit insurance or any component thereof, except that a technology-enabled fiduciary financial institution insurance company shall be permitted to provide contracts of suretyship and credit insurance in accordance with K.S.A. 2023 Supp. 40-4354, and amendments thereto;

(4) no captive insurance company shall accept or cede reinsurance except as provided in K.S.A. 40-4311, and amendments thereto;

(5) no captive insurance company shall provide accident and health, life insurance or annuities on a direct basis;

(6) no captive insurance company authorized as a life insurance company shall transact business other than life insurance; and

(7) no captive insurance company authorized to transact business under article 9 or

11 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, shall engage in the business of life insurance.

(b) No captive insurance company organized under the laws of this state shall do any insurance business in this state unless:

(1) It first obtains from the commissioner a certificate of authority authorizing it to do insurance business in this state;

(2) its board of directors, members, partners, managers, committee of managers or other governing body holds at least one meeting each year in this state;

(3) it maintains its principal place of business in this state; and

(4) it authorizes the commissioner to accept service of process on its behalf in accordance with K.S.A. 40-218, and amendments thereto.

(c) Before receiving a certificate of authority, an applicant captive insurance company shall file with the commissioner:

(1) A copy of the applicant captive insurance company's organizational documents; and

(2) a plan of operation or a feasibility study describing the anticipated activities and results of the applicant captive insurance company that shall include:

(A) The company's loss prevention program of its parent and insureds, as applicable;

(B) historical and expected loss experience of the risks to be insured or reinsured by the applicant captive insurance company;

(C) pro forma financial statements and projections of the proposed business operations of the applicant captive insurance company;

(D) an analysis of the adequacy of the applicant captive insurance company's proposed premiums, assets and capital and surplus levels relative to the risks to be insured or reinsured by the captive insurance company;

(E) a statement of the applicant captive insurance company's net retained limited liability on any contract of insurance or reinsurance it intends to issue and the nature of any reinsurance it intends to cede;

(F) a statement certifying that the applicant captive insurance company's investment policy is in compliance with this act and specifying the type of investments to be made;

(G) a statement identifying the geographic areas in which the applicant captive insurance company intends to operate;

(H) a statement identifying the persons or organizations that will perform the applicant captive insurance company's major operational functions, including management, underwriting, accounting, asset investment, claims adjusting and loss control and the adequacy of the expertise, experience and character of such persons or organizations; and

(I) whenever required by the commissioner, an appropriate opinion by a qualified independent actuary regarding the adequacy of the applicant captive insurance company's proposed capital, surplus and premium levels;

(3) a description of the coverages, deductibles, coverage limits, rates and forms, together with any additional information that the commissioner may require;

(4) such other items deemed relevant by the commissioner in ascertaining whether the proposed captive insurance company will be able to meet its obligations; and

(5) any modification or change in the items required under this subsection that shall

require the prior approval of the commissioner.

(d) Each captive insurance company not in existence on January 1, 2018, shall pay to the commissioner a nonrefundable fee ~~of not to exceed~~ \$10,000 for examining, investigating and processing its application for a certificate of authority. The commissioner is authorized to retain legal, financial, actuarial, analysis and examination services from outside the department, the reasonable costs of which shall be charged against the applicant. In addition, ~~if such applicant~~ shall pay a renewal fee for each year thereafter ~~of not to exceed~~ \$10,000.

~~(c) Each captive insurance company already in existence on January 1, 2018, shall pay an annual renewal fee of \$110 until January 1, 2028, after which date the provisions of subsection (d) shall apply.~~

(f) If the commissioner is satisfied that the documents and statements that such captive insurance company has filed comply with the provisions of this act, the commissioner may grant a certificate of authority authorizing a:

(1) Captive insurance company other than a technology-enabled fiduciary financial institution to do insurance business in this state until March 1 thereafter, which certificate of authority may be renewed; and

(2) technology-enabled fiduciary financial institution insurance company to do insurance business in this state until the later of March 1 thereafter or the maturity date of the last payment-in-kind asset held by such technology-enabled fiduciary financial institution insurance company pursuant to this act.

~~(g)~~(f) Information submitted under this section shall be and remain confidential, and shall not be made public by the commissioner or any employee or agent of the commissioner without the written consent of the company, except that:

(1) Such information may be discoverable by a party in a civil action or contested case to which the captive insurance company that submitted such information is a party, upon a showing by the party seeking to discover such information that:

(A) The information sought is relevant to and necessary for the furtherance of such action or case;

(B) the information sought is unavailable from other non-confidential sources;

(C) a subpoena issued by a judicial or administrative officer or competent jurisdiction has been submitted to the commissioner; and

(D) the privacy of a qualified policyholder shall be protected in any court proceeding concerning such qualified policyholder if the technology-enabled fiduciary financial institution insurance company so petitions the court. Upon the filing of such petition, any information, including, but not limited to, an instrument, inventory, statement or verified report produced by the technology-enabled fiduciary financial institution insurance company regarding a policy issued to a qualified policyholder or payment-in-kind assets held by the technology-enabled fiduciary financial institution insurance company to satisfy claims of such qualified policyholder, all payment-in-kind policies, all petitions relevant to such information and all court orders thereon, shall be sealed upon filing and shall not be made a part of the public record of the proceeding, except that such petition shall be available to the court, the commissioner, the technology-enabled fiduciary financial institution insurance company, their attorneys and to such other interested persons as the court may order upon a showing of good cause;

(2) the commissioner may disclose such information to a public officer having

jurisdiction over the regulation of insurance in another state, provided that:

(A) Such public official shall agree in writing to maintain the confidentiality of such information; and

(B) the laws of the state in which such public official serves requires such information to be and to remain confidential;

(3) access may also be granted to the national association of insurance commissioners and its affiliates, and the international association of supervisors and its affiliates. Such parties must agree in writing prior to receiving the information to provide to it the same confidential treatment as required by this section, unless the company gives prior written consent; and

(4) the privacy of those who have established an affiliated fidfin trust or alternative asset custody account shall be protected in any court proceeding concerning such trust or custody account if the acting trustee, custodian, trustor or any beneficiary so petition the court. Upon the filing of such a petition, the instrument, inventory, statement filed by any trustee or custodian, annual verified report of the trustee or custodian and all petitions relevant to trust administration and all court orders thereon shall be sealed upon filing and shall not be made a part of the public record of the proceeding, except that such petition shall be available to the court, the trustor, the trustee, the custodian, any beneficiary, their attorneys and to such other interested persons as the court may order upon a showing of good cause.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 33. K.S.A. 40-4323 is hereby amended to read as follows: 40-4323. (a) As used in this section, unless the context requires otherwise, "dormant captive insurance company" means a captive insurance company that has:

(1) Ceased transacting the business of insurance, including the issuance of insurance policies; and

(2) no remaining liabilities associated with insurance business transactions or insurance policies issued prior to the filing of its application for a certificate of dormancy under this section.

(b) A captive insurance company domiciled in Kansas that meets the criteria of subsection (a) may apply to the commissioner for a certificate of dormancy. The certificate of dormancy shall be subject to renewal every five years and shall be forfeited if not renewed within such time.

(c) A dormant captive insurance company that has been issued a certificate of dormancy shall:

(1) Possess and thereafter maintain unimpaired, paid-in capital and surplus of not less than \$25,000;

(2) prior to March 15 of each year, submit to the commissioner a report of its financial condition, verified by oath by two of its executive officers, in a form as may be prescribed by the commissioner; and

(3) pay a license renewal fee ~~of~~ not to exceed \$500.

(d) A dormant captive insurance company shall not be subject to or liable for the payment of any tax under K.S.A. 40-4314, and amendments thereto, or as provided in article 28 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(e) A dormant captive insurance company shall apply to the commissioner for

approval to surrender its certificate of dormancy and resume conducting the business of insurance prior to issuing any insurance policies.

(f) A certificate of dormancy shall be revoked if a dormant captive insurance company no longer meets the criteria of subsection (a).

(g) The commissioner may promulgate rules and regulations as necessary to carry out the provisions of this section.

(h) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 34. K.S.A. 40-4334 is hereby amended to read as follows: 40-4334. (a) To transact business in Kansas, a special purpose insurance captive shall:

(1) Obtain from the commissioner a certificate of authority authorizing it to conduct reinsurance business in Kansas;

(2) hold at least one meeting of its board of directors each year within Kansas;

(3) maintain its principal place of business in Kansas;

(4) authorize the commissioner to accept service of process on its behalf in accordance with K.S.A. 40-218, and amendments thereto;

(5) maintain unimpaired paid-in capital and surplus of not less than \$5,000,000;

(6) maintain a risk-based capital of at least 200%; and

(7) pay all applicable fees as required by this act.

(b) A special purpose insurance captive, when permitted by its organizational documents, may apply to the commissioner for a certificate of authority to conduct reinsurance in Kansas as authorized by this section.

(1) An authorized special purpose insurance captive may only reinsure the risks of its ceding company. A special purpose insurance captive may reinsure risks of more than one ceding company, provided all ceding companies from which a special purpose insurance captive assumes risks shall be affiliated with one another.

(2) An authorized special purpose insurance captive may cede all or a portion of its assumed risks under ceded reinsurance agreements.

(3) An authorized special purpose insurance captive may take credit or a reduction from liability for the reinsurance of risks or portions of risks ceded to a reinsurer in accordance with K.S.A. 40-221a, and amendments thereto, or as otherwise approved by the commissioner.

(c) To obtain a certificate of authority to transact business as a special purpose insurance captive in Kansas, the special purpose insurance captive shall:

(1) File an application, which shall include the following:

(A) Certified copies of its organizational documents;

(B) a statement under oath from any of the applicant's officers as to the financial condition of the applicant as of the time the application is filed;

(C) evidence of the applicant's assets as of the time of the application;

(D) complete biographical sketches for each officer and director on forms created by the NAIC;

(E) a plan of operation as described in K.S.A. 40-4335, and amendments thereto;

(F) an affidavit signed by the applicant that the special purpose insurance captive will operate only in accordance with the provisions of this section and its plan of operation;

(G) a description of the investment strategy the special purpose insurance captive will follow; and

(H) a description of the source and form of the initial minimum capital proposed in the plan of operation; and

(2) have deposited with the commissioner of insurance pursuant to K.S.A. 40-229a, and amendments thereto, securities authorized by K.S.A. 40-2a01 et seq., and amendments thereto, in an amount equal to not less than the minimum capital stock required of such company for the protection of its policyholders or creditors, or both;

(3) demonstrate that the minimum surplus required is established and held in Kansas; and

(4) provide copies of any filings made by the ceding company with the ceding company's domiciliary insurance regulator to obtain approval for the ceding company to enter into the special purpose insurance captive contract and copies of any filings made by any affiliate of the special purpose insurance captive to obtain regulatory approval to contribute capital to the special purpose insurance captive or to acquire direct or indirect ownership of the special purpose insurance captive. The special purpose insurance captive shall provide copies of any letters of approval or disapproval received from the insurance regulator responding to such filing.

(d) The commissioner may require the special purpose insurance captive to revise its plan of operation under K.S.A. 40-4335, and amendments thereto, and meet all requirements imposed by a revised plan of operation as approved by the commissioner thereunder.

(e) The department shall act upon a complete application within 30 days of its filing. Upon good cause shown, the commissioner may extend the time to act on the application by 30 days.

(f) In the event the ceding company is not required to make filings with its domiciliary insurance regulator as described in subsection (c)(4), no such filing shall be required under subsection (c)(4) in Kansas, provided the applicant provides the commissioner with a certification signed by one of its officers attesting that no such filing is required with the ceding company's domiciliary regulator.

(g) Once granted, a certificate of authority under this section shall continue until March 1 of each year. At such time, the certificate of authority may be renewed at the discretion of the commissioner.

(h) A special purpose insurance captive shall pay to the commissioner a nonrefundable application fee ~~of not to exceed~~ \$10,000 for examining, investigating and processing its application for certificate of authority, and the commissioner is authorized to retain legal, financial, actuarial and examination services from outside the department, the reasonable costs of which may be additionally charged against the applicant. In addition, each special purpose insurance captive shall pay a renewal fee for each year thereafter ~~of not to exceed~~ \$10,000.

(i) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required pursuant to this section for the next calendar year.

Sec. 35. K.S.A. 40-4503 is hereby amended to read as follows: 40-4503. (a) No person, firm, association or corporation shall act as a reinsurance broker in this state if the reinsurance broker maintains an office either directly or as a member or employee of a firm or association, or as an officer, director or employee of a corporation:

(1) In this state, unless such reinsurance broker is a licensed producer in this state;  
or

(2) in another state, unless such reinsurance broker is a licensed producer in this

state or another state having a law substantially similar to this act or such reinsurance broker is licensed in this state as a nonresident reinsurance intermediary.

(b) No person, firm, association or corporation shall act as a reinsurance manager:

(1) For a reinsurer domiciled in this state, unless such reinsurance manager is a licensed producer in this state;

(2) in this state, if the reinsurance manager maintains an office either directly or as a member or employee of a firm or association, or an officer, director or employee of a corporation in this state, unless such reinsurance manager is a licensed producer in this state;

(3) in another state for a nondomestic insurer, unless such reinsurance manager is a licensed producer in this state or another state having a law substantially similar to this act or such person is licensed in this state as a nonresident reinsurance intermediary.

(c) The commissioner may require a reinsurance manager subject to subsection (b) to file a bond in an amount from an insurer acceptable to the commissioner for the protection of each reinsurer represented.

(d) (1) The commissioner may issue a reinsurance intermediary license to any person, firm, association or corporation who has complied with the requirements of this act. Before any such license may be issued, the applicant shall submit proper application therefor on a form prescribed by the commissioner which shall be accompanied by an initial fee ~~of~~ not to exceed \$150. Any license so issued shall remain in effect until suspended, revoked, voluntarily surrendered or otherwise terminated by the commissioner or licensee subject to payment of an annual continuation fee ~~of~~ not to exceed \$100 on or before May 1 of each year. Any such license issued to a firm or association will authorize all the members of such firm or association and any designated employees to act as reinsurance intermediaries under the license, and all such persons shall be named in the application and any supplements thereto. Any such license issued to a corporation shall authorize all of the officers, and any designated employees and directors thereof, to act as reinsurance intermediaries on behalf of such corporation, and all such persons shall be named in the application and any supplements thereto.

(2) If the applicant for a reinsurance intermediary license is a nonresident, such applicant, as a condition precedent to receiving or holding a license, shall designate the commissioner as agent for service of process in the manner, and with the same legal effect, as is provided for by this act for designation of service of process upon insurers holding a Kansas certificate of authority. Such applicant shall furnish the commissioner with the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such nonresident reinsurance intermediary may be served. Such licensee shall promptly notify the commissioner in writing of every change in its designated agent for service of process, and such change shall not become effective until acknowledged by the commissioner.

(e) The commissioner may, after a hearing conducted in accordance with the provisions of the Kansas administrative procedure act, held on not less than 20 days' notice, refuse to issue a reinsurance intermediary license if, in the judgment of the commissioner, the applicant, any one named on the application, or any member, principal, officer or director of the applicant, is not trustworthy, or any controlling person of such applicant is not trustworthy to act as a reinsurance intermediary, or any of the foregoing has given cause for revocation or suspension of such license, or has

failed to comply with any prerequisite for the issuance of such license.

(f) Licensed attorneys at law in this state when acting in their professional capacity as such shall be exempt from this section.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required pursuant to this section for the next calendar year.

Sec. 36. K.S.A. 2023 Supp. 40-4903 is hereby amended to read as follows: 40-4903. (a) Unless denied licensure pursuant to K.S.A. 40-4909, and amendments thereto, any person who meets the requirements of K.S.A. 40-4905, and amendments thereto, shall be issued an insurance agent license. An insurance agent may receive qualifications for a license in one or more of the following lines of authority:

(1) Life: Insurance coverage on human lives including benefits of endowment and annuities; and may include benefits in the event of death or dismemberment by accident and benefits for disability income.

(2) Accident and health or sickness: Insurance coverage for sickness, bodily injury or accidental death and may include benefits for disability income.

(3) Property: Insurance coverage for the direct or consequential loss or damage to property of every kind.

(4) Casualty: Insurance coverage against legal liability, including that for death, injury or disability or damage to real or personal property.

(5) Variable life and variable annuity products: Insurance coverage provided under variable life insurance contracts, variable annuities or any other life insurance or annuity product that reflects the investment experience of a separate account.

(6) Personal lines: Property and casualty insurance coverage sold primarily to an individual or family for noncommercial purposes.

(7) Credit: Limited line credit insurance.

(8) Crop insurance: Limited line insurance for damage to crops from unfavorable weather conditions, fire, lightning, flood, hail, insect infestation, disease or other yield-reducing conditions or any other peril subsidized by the federal crop insurance corporation, including multi-peril crop insurance.

(9) Title insurance: Limited line insurance that insures titles to property against loss by reason of defective titles or encumbrances.

(10) (A) Travel insurance: Limited line insurance for personal risks incidental to planned travel, including, but not limited to:

(i) Interruption or cancellation of trip or event;

(ii) loss of baggage or personal effects;

(iii) damages to accommodations or rental vehicles;

(iv) sickness, accident, disability or death occurring during travel;

(v) emergency evacuation;

(vi) repatriation of remains; or

(vii) any other contractual obligations to indemnify or pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the commissioner.

(B) Travel insurance does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting six months or longer, for example, persons working overseas including military personnel deployed overseas.

(11) Pre-need funeral insurance: Limited line insurance that allows for the purchase

of a life insurance or annuity contract by or on behalf of the insured solely to fund a pre-need contract or arrangement with a funeral home for specific services.

(12) Bail bond insurance: Limited line insurance that provides surety for a monetary guarantee that an individual released from jail will be present in court at an appointed time.

(13) Self-service storage unit insurance: Limited line insurance relating to the rental of self-service storage units, including:

(A) Personal effects insurance that provides coverage to renters of storage units at the same facility for the loss of, or damage to, personal effects that occurs at the same facility during the rental period; and

(B) any other coverage that the commissioner may approve as meaningful and appropriate in connection with the rental of storage units. Such insurance may only be issued in accordance with K.S.A. 40-241, and amendments thereto.

(14) Any other line of insurance permitted under the provisions of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, and any rules and regulations promulgated thereunder.

(b) Unless suspended, revoked or refused renewal pursuant to K.S.A. 40-4909, and amendments thereto, an insurance agent license shall remain in effect as long as:

(1) Education requirements for resident individual agents are met by such insurance agent's biennial due date;

(2) such insurance agent submits an application for renewal on a form prescribed by the commissioner; and

(3) such insurance agent pays a biennial renewal application fee ~~of not to exceed~~ \$4.

(c) Except as provided in paragraphs (1) through (4), each licensed insurance agent shall biennially obtain a minimum of 18 C.E.C.s that include at least three hours of instruction in insurance ethics that also may include regulatory compliance.

(1) Each licensed insurance agent who is an individual and holds only a crop qualification shall biennially obtain a minimum of two C.E.C.s in courses certified as crop C.E.C.s under the property and casualty category.

(2) Each licensed insurance agent who is an individual and is licensed only for title insurance shall biennially obtain a minimum of four C.E.C.s in courses certified by the board of abstract examiners as title C.E.C.s under the property and casualty category.

(3) Each licensed insurance agent who is an individual and holds a life insurance license solely for the purpose of selling pre-need funeral insurance or annuity products shall file a report on or before such agent's biennial due date affirming that such agent transacted no other insurance business during the period covered by the report and shall provide certification from an officer of each insurance company that has appointed such agent that the agent transacted no other insurance business during the period covered by the report. Agents who have offered to sell or sold only pre-need funeral insurance are exempt from the requirement to obtain C.E.C.s.

(4) Each licensed insurance agent who is an individual and holds only a bail bond, self-service storage unit or travel insurance qualification is exempt from the requirement to obtain C.E.C.s.

(5) (A) A licensed insurance agent who is a member of the national guard or any reserve component of the armed services of the United States who serves on active duty for at least 90 consecutive days shall be exempt from the requirement to obtain C.E.C.s

during the time that such insurance agent is on active duty.

(B) The commissioner shall grant an extension to any licensed insurance agent described in subparagraph (A) until the biennial due date that occurs in the year next succeeding the year in which such active duty ceases.

(d) An instructor of an approved subject shall be entitled to the same C.E.C. as a student completing the study.

(e) (1) An individual insurance agent who has been licensed for more than one year, on or before such insurance agent's biennial due date, shall file a report with the commissioner certifying that such insurance agent has met the continuing education requirements for the previous biennium ending on such insurance agent's biennial due date. Each individual insurance agent shall maintain a record of all courses attended together with a certificate of attendance for the remainder of the biennium in which the courses were attended and the entire next succeeding biennium.

(2) If the required report showing proof of continuing education completion is not received by the commissioner by the individual insurance agent's biennial due date, such individual insurance agent's qualification and each and every corresponding license shall be suspended automatically for a period of 90 calendar days or until such time as the producer satisfactorily demonstrates completion of the continuing education requirement whichever is sooner. In addition, the commissioner shall assess a penalty of \$100 for each license suspended. If such insurance agent fails to furnish to the commissioner the required proof of continuing education completion and the monetary penalty within 90 calendar days of such insurance agent's biennial due date, such individual insurance agent's qualification and each and every corresponding license shall expire on such insurance agent's biennial due date. If after more than three but less than 12 months from the date the license expired, the insurance agent wants to reinstate such insurance agent's license, such individual shall provide the required proof of continuing education completion and pay a reinstatement fee in the amount of \$100 for each license suspended. If after more than 12 months from the date an insurance agent's license has expired, such insurance agent wants to reinstate such insurance agent's license, such individual shall apply for an insurance agent's license, provide the required proof of continuing education completion and pay a reinstatement fee in the amount of \$100 for each license suspended. Upon receipt of a written application from such insurance agent claiming extreme hardship, the commissioner may waive any penalty imposed under this subsection.

(3) On and after the effective date of this act, any applicant for an individual insurance agent's license who previously held a license that expires on or after June 30, 2001, because of failure to meet continuing education requirements and who seeks to be relicensed shall provide evidence that appropriate C.E.C.s have been completed for the prior biennium.

(4) Upon receipt of a written application from an individual insurance agent, the commissioner, in cases involving medical hardship or military service, may extend the time within which to fulfill the minimum continuing educational requirements for a period of not to exceed 180 days.

(5) This section shall not apply to any inactive insurance agent during the period of such inactivity. For the purposes of this paragraph, "inactive period" or "period of inactivity" means a continuous period of time of not more than four years starting from the date inactive status is granted by the commissioner. Before returning to active status,

such inactive insurance agent shall:

(A) File a report with the commissioner certifying that such agent has met the continuing education requirement; and

(B) pay the renewal fee. If the required proof of continuing education completion and the renewal fee is not furnished at the end of the inactive period, such individual insurance agent's qualification and each and every corresponding license shall expire at the end of the period of inactivity. For issuance of a new license, the individual shall apply for a license and pass the required examination.

(6) Any individual who allows such individual's insurance agent license in this state and all other states in which such individual is licensed as an insurance agent to expire for a period of four or more consecutive years, shall apply for a new insurance agent license and pass the required examination.

(f) (1) Each course, program of study, or subject shall be submitted to and certified by the commissioner in order to qualify for purposes of continuing education.

(2) Each request for certification of any course, program of study or subject shall contain the following information:

(A) The name of the provider or provider organization;

(B) the title of such course, program of study or subject;

(C) the date the course, program of study or subject will be offered;

(D) the location where the course, program of study or subject will be offered;

(E) an outline of each course, program of study or subject including a schedule of times when such material will be presented;

(F) the names and qualifications of instructors;

(G) the number of C.E.C.s requested;

(H) a nonrefundable C.E.C. qualification fee ~~in the amount of an amount not to exceed~~ \$50 per course, program of study or subject or an amount not to exceed \$250 per year for all courses, programs of study or subjects submitted by a specific provider or provider organization; and

(I) a nonrefundable annual provider fee ~~of not to exceed~~ \$100.

(3) Upon receipt of such information, the commissioner shall grant or deny certification of any submitted course, program of study or subject as an approved subject, program of study or course and indicate the number of C.E.C.s that will be recognized for each approved course, program of study or subject. Each approved course, program of study or subject shall be assigned by the commissioner to one or both of the following classes:

(A) Property and casualty; or

(B) life insurance, including annuity and variable contracts, and accident and health insurance.

(4) Each course, program of study or subject shall have a value of at least one C.E.C.

(5) (A) Each provider seeking approval of a course, program of study or subject for continuing education credit shall issue or cause to be issued to each person who attends a course, program of study or subject offered by such provider a certificate of attendance. The certificate shall be signed by either the instructor who presents the course, program of study or course or such provider's authorized representative. Each provider shall maintain a list of all individuals who attend courses offered by such provider for continuing education credit for the remainder of the biennium in which the

courses are offered and the entire next succeeding biennium.

(B) The commissioner shall accept, without substantive review, any course, program of study or subject submitted by a provider that has been approved by the insurance supervisory authority of any other state or territory accredited by the NAIC. The commissioner may disapprove any individual instructor or provider who has been the subject of disciplinary proceedings or who has otherwise failed to comply with any other state's or territory's laws or regulations.

(6) The commissioner may grant or approve any specific course, program of study or course that has appropriate merit, such as any course, programs of study or course with broad national or regional recognition, without receiving any request for certification. The fee prescribed by subsection (f)(2) shall not apply to any approval granted pursuant to this provision.

(7) The C.E.C. value assigned to any course, program of study or subject, other than a correspondence course, computer based training, interactive internet study training or other course pursued by independent study, shall in no way be contingent upon passage or satisfactory completion of any examination given in connection with such course, program of study or subject. The commissioner shall establish, by rules and regulations criteria for determining acceptability of any method used for verification of the completion of each stage of any computer based or interactive internet study training. Completion of any computer based training or interactive internet study training shall be verified in accordance with a method approved by the commissioner.

(g) Upon request, the commissioner shall provide a list of all approved continuing education courses currently available to the public.

(h) An individual insurance agent who independently studies an insurance course, program of study or subject that is not an agent's examination approved by the commissioner shall receive credit for the C.E.C.s assigned by the commissioner as recognition for the approved subject. No other credit shall be given for independent study.

(i) Any licensed individual insurance agent who is unable to comply with license renewal procedures due to military service or some other extenuating circumstances may request a waiver of those procedures from the commissioner. Such agent may also request from the commissioner a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.

(j) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees pursuant to this section for the next calendar year.

Sec. 37. K.S.A. 40-5003 is hereby amended to read as follows: 40-5003. (a) No person shall operate as a viatical settlement provider or viatical settlement broker without first obtaining a license from the commissioner or the insurance regulatory official of the state of residence of the viator. If there is more than one viator on a single policy and the viators are residents of different states, the viatical settlement shall be governed by the law of the state in which the viator having the largest percentage ownership resides or, if the viators hold equal ownership, the state of residence of one viator agreed upon in writing by all viators.

(b) Application for a viatical settlement provider license shall be made to the commissioner by the applicant on a form prescribed by the commissioner, and these applications shall be accompanied by a nonrefundable fee ~~of not to exceed~~ \$1,000.

(c) Licenses for viatical settlement providers may be renewed from year to year on the anniversary date upon payment of the annual renewal fee ~~of not to exceed~~ \$500. Failure to pay the fees by the renewal date results in expiration of the license.

(d) Application for a viatical settlement broker license shall be made to the commissioner by the applicant on a form prescribed by the commissioner. Each application shall be accompanied by a nonrefundable application fee ~~of not to exceed~~ \$100.

(e) Licenses for a viatical settlement broker license may be renewed from year to year on the anniversary date upon payment of the annual renewal fee ~~of not to exceed~~ \$50. Failure to pay the fees by the renewal date results in expiration of such license.

(f) The applicant shall provide information on forms required by the commissioner. The commissioner shall have authority, at any time, to require the applicant to fully disclose the identity of all stockholders, partners, officers, members and employees, and the commissioner, in the exercise of the commissioner's discretion, may refuse to issue a license in the name of a legal entity if not satisfied that any officer, employee, stockholder, partner or member thereof who may materially influence the applicant's conduct meets the standards of this act.

(g) A license issued to a legal entity authorizes all partners, officers, members and designated employees to act as viatical settlement providers or viatical settlement brokers, as applicable, under the license, and all those persons shall be named in the application and any supplements to the application.

(h) Upon the filing of an application and the payment of the license fee, the commissioner shall make an investigation of each applicant and issue a license if the commissioner finds that the applicant:

- (1) If a viatical settlement provider, has provided a detailed plan of operation;
- (2) is competent and trustworthy and intends to act in good faith in the capacity involved by the license applied for;
- (3) has a good business reputation and has had experience, training or education so as to be qualified in the business for which the license is applied for;
- (4) if a legal entity, provides a certificate of good standing from the state of its domicile; and
- (5) if a viatical settlement provider or viatical settlement broker, has provided an anti-fraud plan that meets the requirements of ~~paragraph (g) of~~ K.S.A. 40-5012(g), and amendments thereto.

(i) The commissioner shall not issue a license to a nonresident applicant, unless a written designation of an agent for service of process is filed and maintained with the commissioner or the applicant has filed with the commissioner, the applicant's written irrevocable consent that any action against the applicant may be commenced against the applicant by service of process on the commissioner.

(j) A viatical settlement provider or viatical settlement broker shall provide to the commissioner new or revised information about officers, 10% or more stockholders, partners, directors, members or designated employees within 30 days of the change.

(k) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fees required by this section for the next calendar year.

Sec. 38. K.S.A. 40-5509 is hereby amended to read as follows: 40-5509. (a) An individual who has met the requirements for licensure under this act shall be issued a public adjuster license. A public adjuster license shall remain in effect, unless revoked,

terminated or suspended, as long as the request for renewal is timely submitted and a license renewal fee ~~of not to exceed~~ \$100 is paid and any other requirements for license renewal are met by the due date. The licensee shall inform the commissioner by any means acceptable to the commissioner of a change of address, change of legal name or change of information submitted on the application within 30 days of the change.

(b) A public adjuster shall be subject to the provisions ~~of subsection (9) of K.S.A. 40-2404(9)~~, and amendments thereto.

(c) A public adjuster who allows such person's license to lapse may, within 12 months from the due date of the renewal, be issued a new public adjuster license upon the commissioner's receipt of proof that the licensee has satisfactorily completed the renewal process and the licensee's payment of a reinstatement fee of \$100. The new public adjuster license shall be effective the date the commissioner receives such proof and the reinstatement fee.

(d) A licensed public adjuster that is unable to comply with license renewal procedures due to military service, a long-term medical disability or some other extenuating circumstance, may request an extension of time to comply with those procedures.

(e) The public adjuster license shall contain the licensee's name, city and state of business address, personal identification number, the date of issuance, the expiration date and any other information the commissioner deems necessary.

(f) In order to assist in the performance of the commissioner's duties, the commissioner may contract with non-governmental entities, including the NAIC, to perform any ministerial functions, including the collection of fees and data related to licensing that the commissioner may deem appropriate.

(g) Not later than December 1 of each year, the commissioner shall set and publish in the Kansas register the fee required by this section for the next calendar year.

Sec. 39. On and after July 1, 2026, K.S.A. 44-512 is hereby amended to read as follows: 44-512. Workers compensation payments shall be made at the same time, place and in the same manner as the wages of the worker were payable at the time of the accident, but upon the application of either party the administrative law judge may modify such requirements in a particular case as the administrative law judge deems just, except that: (a) Payments from the workers compensation fund established by K.S.A. 44-566a, and amendments thereto, shall be made in the manner approved by the commissioner of insurance; (b) payments from the state workers compensation self-insurance fund established by K.S.A. 44-575, and amendments thereto, shall be made in a manner approved by the ~~secretary of health and environment~~ commissioner of insurance; and (c) whenever temporary total disability compensation is to be paid under the workers compensation act, payments shall be made only in cash, by check or in the same manner that the employee is normally compensated for salary or wages and not by any other means, except that any such compensation may be paid by warrant of the director of accounts and reports issued for payment of such compensation from the workers compensation fund or the state workers compensation self-insurance fund under the workers compensation act.

Sec. 40. On and after July 1, 2026, K.S.A. 44-575 is hereby amended to read as follows: 44-575. (a) As used in K.S.A. 44-575 through 44-580, and amendments thereto, "state agency" means the state, or any department or agency of the state, but not including the Kansas turnpike authority, the university of Kansas hospital authority, any

political subdivision of the state or the district court with regard to district court officers or employees whose total salary is payable by counties.

(b) For the purposes of providing for the payment of compensation for claims arising on and after July 1, 1974, and all other amounts required to be paid by any state agency as a self-insured employer under the workers compensation act and any amendments or additions thereto, there is hereby established the state workers compensation self-insurance fund in the state treasury. The name of the state workmen's compensation self-insurance fund is hereby changed to the state workers compensation self-insurance fund. Whenever the state workmen's compensation self-insurance fund is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the state workers compensation self-insurance fund.

(c) The state workers compensation self-insurance fund shall be liable to pay: (1) All compensation for claims arising on and after July 1, 1974, and all other amounts required to be paid by any state agency as a self-insured employer under the workers compensation act and any amendments or additions thereto; (2) the amount that all state agencies are liable to pay of the "carrier's share of expense" of the administration of the office of the director of workers' compensation as provided in K.S.A. 74-712 through 74-719, and amendments thereto, for each fiscal year; (3) all compensation for claims remaining from the self-insurance program which existed prior to July 1, 1974, for institutional employees of the commission of community services and programs of the Kansas department for aging and disability services; (4) the cost of administering the state workers compensation self-insurance fund including the defense of such fund and any costs assessed to such fund in any proceeding to which it is a party; and (5) the cost of establishing and operating the state workplace health and safety program under subsection (f). For the purposes of K.S.A. 44-575 through 44-580, and amendments thereto, all state agencies are hereby deemed to be a single employer whose liabilities specified in this section are hereby imposed solely upon the state workers compensation self-insurance fund and such employer is hereby declared to be a fully authorized and qualified self-insurer under K.S.A. 44-532, and amendments thereto, but such employer shall not be required to make any reports thereunder.

(d) ~~The secretary of health and environment~~ commissioner of insurance shall administer the state workers compensation self-insurance fund and all payments from such fund shall be upon warrants of the director of accounts and reports issued pursuant to vouchers approved by ~~the secretary of health and environment~~ commissioner of insurance or a person or persons designated by ~~the secretary~~ commissioner. The director of accounts and reports may issue warrants pursuant to vouchers approved by the secretary commissioner of insurance for payments from the state workers compensation self-insurance fund notwithstanding the fact that claims for such payments were not submitted or processed for payment from money appropriated for the fiscal year in which the state workers compensation self-insurance fund first became liable to make such payments.

(e) ~~The secretary of health and environment~~ commissioner of insurance shall remit all moneys received by or for ~~the secretary~~ commissioner in the capacity as administrator of the state workers compensation self-insurance fund, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire

amount in the state treasury to the credit of the state workers compensation self-insurance fund.

(f) There is hereby established the state workplace health and safety program within the state workers compensation self-insurance program of the insurance department of health and environment. The ~~secretary of health and environment~~ commissioner of insurance shall implement and the division of industrial health and safety of the Kansas department of labor shall assist in administering the state workplace health and safety program for state agencies. The state workplace health and safety program shall include, but not be limited to:

- (1) Workplace health and safety hazard surveys in all state agencies, including onsite interviews with employees;
- (2) workplace health and safety hazard prevention services, including inspection and consultation services;
- (3) procedures for identifying and controlling workplace hazards;
- (4) development and dissemination of health and safety informational materials, plans, rules and work procedures; and
- (5) training for supervisors and employees in healthful and safe work practices.

Sec. 41. On and after July 1, 2026, K.S.A. 44-577 is hereby amended to read as follows: 44-577. (a) All claims for compensation under the workers compensation act against any state agency for claims arising on and after July 1, 1974, and claims for compensation remaining from the self-insurance program which existed prior to July 1, 1974, for institutional employees of the commission of community services and programs of the Kansas department for aging and disability services shall be made against the state workers compensation self-insurance fund. Such claims shall be served upon the ~~secretary of health and environment~~ commissioner of insurance in the ~~secretary's~~ commissioner's capacity as administrator of the state workers compensation self-insurance fund in the manner provided for claims against other employers under the workers compensation act. The chief attorney for the insurance department of health and environment, or another attorney of the insurance department of health and environment designated by the chief attorney, shall represent and defend the state workers compensation self-insurance fund in all proceedings under the workers compensation act.

(b) The ~~secretary of health and environment~~ commissioner of insurance shall investigate, or cause to be investigated, each claim for compensation against the state workers compensation self-insurance fund. For the purposes of such investigations, the ~~secretary of health and environment~~ commissioner of insurance is authorized to obtain expert medical advice regarding the injuries, occupational diseases and disabilities involved in such claims. If, based upon such investigation and any other available information, the ~~secretary of health and environment~~ commissioner of insurance finds that there is no material dispute as to any issue involved in the claim, that the claim is valid and that the claim should be settled by agreement, the ~~secretary of health and environment~~ commissioner of insurance may proceed to enter into such an agreement with the claimant, for the state workers compensation self-insurance fund. Any such agreement may provide for lump-sum settlements subject to approval by the director and all such agreements shall be filed in the office of the director for approval as provided in K.S.A. 44-527, and amendments thereto. All other claims for compensation against such fund shall be paid in accordance with the workers compensation act

pursuant to final awards or orders of an administrative law judge or the board or pursuant to orders and findings of the director under the workers compensation act.

(c) For purposes of the workers compensation act, a volunteer member of a regional emergency medical response team as provided in K.S.A. 48-928, and amendments thereto, shall be considered a person in the service of the state in connection with authorized training and upon activation for emergency response, except when such duties arise in the course of employment or as a volunteer for an employer other than the state.

Sec. 42. On and after July 1, 2026, K.S.A. 44-578 is hereby amended to read as follows: 44-578. ~~The secretary of health and environment~~ commissioner of insurance may adopt rules and regulations necessary for the administration of the state workers compensation self-insurance fund, including the processing and settling of claims for compensation made against such fund.";

On page 15, following line 28, by inserting:

"Sec. 45. On and after July 1, 2026, K.S.A. 2023 Supp. 75-6502 is hereby amended to read as follows: 75-6502. (a) There is hereby established the Kansas state employees health care commission which is composed of seven members as follows: (1) The commissioner of insurance; (2) the secretary of administration; (3) a current state employee who is currently enrolled in the state healthcare benefits program group health insurance medical plan, appointed by the governor; (4) a person who retired from a position in state service and who is currently enrolled in the state healthcare benefits program group health insurance medical plan, appointed by the governor; (5) a representative of the general public, appointed by the governor; (6) a member of the senate ways and means committee, appointed by the president of the senate; and (7) a member of the house of representatives appropriations committee, appointed by the speaker of the house of representatives. A state officer or employee may not be appointed as the member representative of the general public.

(b) Each member appointed under this section by the governor shall serve at the pleasure of the governor. The member appointed by the president of the senate shall serve at the pleasure of the president of the senate, and the member appointed by the speaker of the house of representatives shall serve at the pleasure of the speaker of the house of representatives. Not more than five members of the commission shall be members of the same political party.

(c) The chairperson of the commission shall be ~~designated by the governor~~ commissioner of insurance. The commission shall meet at least once each calendar quarter and at such other times as may be required on call of the chairperson or any three members thereof.

(d) A quorum of the Kansas state employees health care commission shall be four. All actions of the commission shall be taken by a majority of all of the members of the commission.

(e) Members of the Kansas state employees health care commission attending meetings of such commission, or attending a subcommittee meeting thereof authorized by such commission, shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto.

Sec. 46. On and after July 1, 2026, K.S.A. 75-6503 is hereby amended to read as follows: 75-6503. (a) Except as otherwise provided by this act, all budgeting, purchasing and related management functions of the Kansas state employees health care

commission shall be administered by the ~~secretary of administration under the direction and supervision of the chairperson of the commission~~ commissioner of insurance. All vouchers for expenditures and all payrolls of the Kansas state employees health care commission shall be approved by the chairperson of the commission or by a person or persons designated by the chairperson.

(b) There is hereby created the position of technical administrator for the state health care ~~benefit~~ benefits program. Under the direction and supervision of the ~~secretary of administration~~ commissioner of insurance, the technical administrator shall provide primary staffing assistance to the commission and perform such other functions and duties as may be prescribed by the commission. The technical administrator shall be in the ~~classified or unclassified~~ service under the Kansas civil service act as specified by the ~~secretary of administration~~ commissioner of insurance. Within the limits of available appropriations, the ~~secretary of administration~~ commissioner of insurance shall provide such additional assistance as may be requested by the commission.";

Also on page 15, in line 29, after "K.S.A." by inserting "40-205a, 40-218, 40-252, 40-2,133, 40-504, 40-956,"; also in line 29, after the second comma by inserting "40-22a04, 40-2604, 40-2702,"; also in line 29, after the third comma by inserting "40-3213, 40-3217, 40-3304,"; also in line 29, after the fourth comma by inserting "40-3812, 40-3813, 40-3814, 40-4103, 40-4116, 40-4323, 40-4334, 40-4503, 40-5003, 40-5509, 44-512,"; in line 30, after "75-4101" by inserting "and K.S.A. 2023 Supp. 40-2,125, 40-3823, 40-3824, 40-4209, 40-4302, 40-4903 and 75-6502";

Also on page 15, following line 30, by inserting:

"Sec. 48. On and after July 1, 2026, K.S.A. 40-412, 44-575, 44-577, 44-578, 75-6503 and 65-6506a and K.S.A. 2023 Supp. 75-37,162, 75-37,163, 75-37,164, 75-37,165, 75-37,166, 75-37,167 75-37,168. 75-37,169, 75-37,170, 75-37,171, and 75-6502 are hereby repealed.";

Also on page 15, in line 32, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after the semicolon by inserting "relating to the powers, duties and responsibilities of the commissioner of insurance;" in line 4, after the semicolon by inserting "authorizing the commissioner of insurance to set the amount of certain fees and requiring the publication of such fees in the Kansas register not later than December 1 of each year for the following year; removing automobile club from the list of entities subject to the jurisdiction of the commissioner of insurance; transferring the state health care benefits program and the state workers compensation self-insurance fund from the division of the state employee health benefits plan of the department of administration to the insurance department and providing that all management functions of the state employees healthcare commission shall be administered by the commissioner of insurance; eliminating a pilot program regarding employer contributions for certain children"; also in line 4, after "K.S.A." by inserting "40-205a, 40-218, 40-252, 40-2,133, 40-504, 40-956,"; also in line 4, after the second comma by inserting "40-22a04, 40-2604, 40-2702,"; also in line 4, after the third comma by inserting "40-3213, 40-3304,"; in line 5, after the comma by inserting "40-3812, 40-3813, 40-3814, 40-4103, 40-4116, 40-4323, 40-4334, 40-4503, 40-5003, 40-5509, 44-512, 44-575, 44-577, 44-578,"; also in line 5, by striking the first "and" and

inserting a comma; also in line 5, after "75-4101" by inserting "and 75-6503 and K.S.A. 2023 Supp. 40-2,125, 40-3823, 40-3824, 40-4209, 40-4302, 40-4903 and 75-6502"; also in line 5, after "sections" by inserting "; also repealing K.S.A. 40-3217 and 75-6506a and K.S.A. 2023 Supp. 75-37,162, 75-37,163, 75-37,164, 75-37,165, 75-37,166, 75-37,167, 75-37,168, 75-37,169, 75-37,170 and 75-31,171";

And your committee on conference recommends the adoption of this report.

BILL SUTTON  
PATRICK PENN  
CINDY NEIGHBOR

*Conferees on part of House*

JEFF LONGBINE  
MICHAEL FAGG  
CINDY HOLSCHER

*Conferees on part of Senate*

On motion of Rep. Sutton, the conference committee report on **SB 423** was adopted.

On roll call, the vote was: Yeas 80; Nays 41; Present but not voting: 0; Absent or not voting: 4.

Yeas: Anderson, Awerkamp, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Francis, Gardner, Goddard, Goetz, Hawkins, Hill, Hoffman, Hoheisel, Howe, Howell, Howerton, Humphries, T. Johnson, Kessler, Landwehr, Lewis, Mason, Maughan, McNorton, Minnix, Moser, Murphy, Neely, Owens, Penn, Pickert, Proctor, Rahjes, Rhiley, Robinson, Roth, Sanders, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, White, Williams, K., Williams, L..

Nays: Amyx, Ballard, Carlin, Carmichael, Carr, Curtis, Featherston, Haskins, Haswood, Helgerson, Highberger, Hougland, Hoye, Jacobs, Martinez, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Poskin, Probst, Resman, Ruiz, L., Ruiz, S., Sawyer, Clayton, Schlingensiepen, Stogsdill, Vaughn, Weigel, Winn, Woodard, Xu, Younger.

Present but not voting: None.

Absent or not voting: Alcala, Garber, Houser, Poetter.

## CONFERENCE COMMITTEE REPORT

On motion of Rep. A. Smith to adopt the conference committee report on **S Sub HB 2036**, Rep. Owens offered a substitute motion to not adopt the conference committee report and that a new conference committee be appointed. The motion prevailed.

Speaker pro tem Carpenter thereupon appointed Reps. A. Smith, Bergkamp and Sawyer as second conferees on the part of the House.

## CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2070** submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

KELLIE WARREN  
RICHARD WILBORN  
ETHAN CORSON

*Conferees on part of Senate*

SUSAN HUMPHRIES  
BOB LEWIS  
DAN OSMAN

*Conferees on part of House*

On motion of Rep. Humphries the conference committee report on **S Sub for HB 2070** to agree to disagree, was adopted.

Speaker pro tem Carpenter thereupon appointed Reps. Humphries, Lewis and Osman as second conferees on the part of the House.

On motion of Rep. Croft, the House recessed until 9:15 p.m.

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#### NIGHT SESSION

The House met pursuant to recess with Speaker pro tem Carpenter in the chair.

#### CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 142** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 2, by striking all in lines 14 through 18;

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

Also on page 2, following line 34, by inserting:

"Sec. 3. K.S.A. 8-1530 is hereby amended to read as follows: 8-1530. (a) Upon the immediate approach of an authorized emergency vehicle making use of an audible signal meeting the requirements of K.S.A. 8-1738(d), and amendments thereto, and visual signals meeting the requirements of K.S.A. 8-1720, and amendments thereto, or of a police vehicle properly and lawfully making use of an audible signal only, the driver of every other vehicle shall do the following unless otherwise directed by a police officer:

- (1) Yield the right-of-way;
- (2) immediately drive to a position parallel to and as close as possible to the right-hand edge or curb of the roadway clear of any intersection; and
- (3) stop and remain in such position until the authorized emergency vehicle has passed.

(b) The driver of a motor vehicle upon approaching a stationary authorized emergency vehicle, when the authorized emergency vehicle is making use of visual

signals meeting the requirements of K.S.A. 8-1720 or 8-1722(d), and amendments thereto, shall do either of the following:

(1) If the driver of the motor vehicle is traveling on a highway that consists of at least two lanes that carry traffic in the same direction of travel as that of the driver's motor vehicle, the driver shall proceed with due caution and, if possible and with due regard to the road, weather and traffic conditions, shall change lanes into a lane that is not adjacent to that of the stationary authorized emergency vehicle; or

(2) if the driver is not traveling on a highway of a type described in paragraph (1), or if the driver is traveling on a highway of that type but it is not possible to change lanes or if to do so would be unsafe, the driver shall proceed with due caution, reduce the speed of the motor vehicle and maintain a safe speed for the road, weather and traffic conditions.

(c) This section shall not operate to relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for the safety of all persons using the highway.

(d) (1) Violation of subsection (b) that results in injury or great bodily harm to any person serving as a law enforcement officer, an emergency medical service provider or a firefighter and such vehicle is an authorized emergency vehicle that is a fire department vehicle, police bicycle, police vehicle or an ambulance is a severity level 6, person felony.

(2) Violation of subsection (b) that results in death to any person serving as a law enforcement officer, an emergency medical service provider or a firefighter and such vehicle is an authorized emergency vehicle that is a fire department vehicle, police bicycle, police vehicle or an ambulance is a severity level 5, person felony.

(3) In addition to the penalty described in paragraph (1), the court shall impose a fine of not less than \$1,000.

(4) In addition to the penalty described in paragraph (2), the court shall impose a fine of not less than \$7,500."

On page 12, in line 21, after "K.S.A." by inserting "8-1530 and"; also in line 21, by striking "is" and inserting "are";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after the semicolon by inserting "creating a crime for injuring or causing the death of certain authorized emergency vehicle operators when unlawfully passing a stationary authorized emergency vehicle;"; in line 5, after "K.S.A." by inserting "8-1530 and"; in line 6, by striking "section" and inserting "sections";

And your committee on conference recommends the adoption of this report.

SHANNON FRANCIS  
LANCE NEELLY  
BARBARA BALLARD

*Conferees on part of House*

MIKE PETERSEN  
RICK KLOOS  
ETHAN CORSON

*Conferees on part of Senate*

On motion of Rep. Francis, the conference committee report on **SB 142** was adopted.  
On roll call, the vote was: Yeas 98; Nays 21; Present but not voting: 0; Absent or not

voting: 6.

Yeas: Amyx, Anderson, Ballard, Bergquist, Blew, Bloom, Borjon, Bryce, Buehler, Butler, Carmichael, B. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Highberger, Hoffman, Hoheisel, Houglan, Howe, Howell, Howerton, Hoye, Humphries, T. Johnson, Kessler, Lewis, Martinez, Mason, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Neely, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Robinson, Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schreiber, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Thomas, Thompson, Titus, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Awerkamp, Barth, Bergkamp, Blex, Carlin, W. Carpenter, Fairchild, Helgerson, Hill, Jacobs, Landwehr, Maughan, Murphy, Penn, Rhiley, Roth, Schmoe, Siwert, Tarwater, Turk, Turner.

Present but not voting: None.

Absent or not voting: Alcalá, Delperdang, Garber, Houser, Poetter, Ruiz, L..

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 438** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee of the Whole amendments, as follows:

On page 1, following line 6, by inserting:

"New Section 1.

**STATE BOARD OF REGENTS**

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2025, the following:

Kansas blueprint for literacy.....\$10,000,000

*Provided*, That expenditures shall be made by the above agency from such account in accordance with the Kansas blueprint for literacy: *Provided further*, That on or before September 1, 2024, the executive officer of the state board of regents shall certify to the director of the budget that each of the following research educational institutions has implemented two three-credit hour applied application courses and included such courses within the approved graduation requirements to earn a degree in elementary education and has implemented a common performance-based assessment for such courses on or before August 2024: The university of Kansas, Kansas state university and Wichita state university: *Provided, however*, That if the executive officer does not certify that the university of Kansas, Kansas state university and Wichita state university have implemented such courses and assessment on or before August 2024, then on September 1, 2024, of the \$10,000,000 appropriated for the above agency from the state general fund in the Kansas blueprint for literacy account, the sum of \$1,000,000 per institution that did not implement such courses and assessment is hereby

lapsed: *And provided further*, That on or before September 1, 2024, the executive officer shall certify to the director of the budget that each of the following regional educational institutions has implemented two three-credit hour applied application courses and included such courses within the approved graduation requirements to earn a degree in elementary education and has implemented a common performance-based assessment for such courses on or before August 2024: Emporia state university, Fort Hays state university and Pittsburg state university: *And provided, however*; That if the executive officer does not certify that Emporia state university, Fort Hays state university and Pittsburg state university have implemented such courses and assessment on or before August 2024, then on September 1, 2024, of the \$10,000,000 appropriated for the above agency from the state general fund in the Kansas blueprint for literacy account, the sum of \$500,000 per institution that did not implement such courses and assessment is hereby lapsed: *And provided, however*; That no expenditures shall be made by the above agency or any university from such account for the development of such courses or assessments: *And provided further*; That, at the same time as the executive officer transmits a copy of such certifications to the director of the budget, the executive officer shall transmit a copy of such certifications to the director of legislative research.

New Sec. 2. (a) Sections 2 through 8, and amendments thereto, shall be known and may be cited as the Kansas blueprint for literacy.

(b) Each provision of sections 2 through 8, and amendments thereto, that requires the expenditure of moneys shall be subject to legislative appropriations therefor.

(c) As used in sections 2 through 8, and amendments thereto:

(1) "In-service" means a licensed individual who is employed by a school district or accredited nonpublic school as a teacher.

(2) "Postsecondary educational institution" means:

(A) A state educational institution as defined in K.S.A. 76-711, and amendments thereto;

(B) a municipal university; and

(C) any not-for-profit institution of postsecondary education that has its main campus or principal place of operation in Kansas, is operated independently and not controlled or administered by a state agency or subdivision of this state, maintains open enrollment and is accredited by a nationally recognized accrediting agency for higher education in the United States.

(3) "Pre-service" means an individual who is receiving the education and training to become a licensed teacher but is not yet licensed.

(4) "Science of reading" means the teaching of reading using evidence-based research that includes phonemic awareness, phonics, fluency, vocabulary and comprehension.

(5) "Structured literacy" means the application of knowledge from the science of reading that teaches reading in an evidence-based and systematic way.

New Sec. 3. (a) There is hereby established a literacy advisory committee. The committee shall be composed of:

- (1) 15 voting members as follows:
  - (A) The director of literacy education, appointed pursuant to section 4, and amendments thereto, who shall serve as chairperson of the committee;
  - (B) one member appointed by the governor;
  - (C) one member of the house of representatives or a literacy expert appointed by the speaker of the house of representatives;
  - (D) one member of the house of representatives or a literacy expert appointed by the minority leader of the house of representatives;
  - (E) one member of the senate or a literacy expert appointed by the president of the senate;
  - (F) one member of the senate or a literacy expert appointed by the minority leader of the senate;
  - (G) one member appointed by and representing the Kansas national education association;
  - (H) one member appointed by and representing a school of education from Emporia state university, Fort Hays state university or Pittsburg state university;
  - (I) one member appointed by and representing a school of education from the university of Kansas, Kansas state university or Wichita state university;
  - (J) one member appointed by and representing Washburn university school of education;
  - (K) one member appointed by the Kansas association of community colleges to represent community colleges;
  - (L) one member appointed by the Kansas independent colleges association to represent a not-for-profit institution of postsecondary education school or college of education;
  - (M) one member appointed by the state board of education;
  - (N) one member of the state board of regents appointed by the state board of regents; and
  - (O) one member who is an English for speakers of other languages literacy expert appointed by the united school administrators of Kansas; and
- (2) nonvoting members as follows:
  - (A) The commissioner of education or the commissioner's designee; and
  - (B) any number of members appointed by the director of literacy education pursuant to section 4, and amendments thereto.
- (b) (1) Members shall be appointed on or before July 1, 2024.
- (2) Except for the director of literacy education, voting members shall serve for a term of four years.
- (3) Any vacancy in the membership of the committee shall be filled by

appointment in the same manner prescribed by this section for the original appointment.

(4) A quorum of the committee shall be a majority of the voting members. All actions of the committee may be taken by a majority of the voting members present when there is a quorum.

(5) The committee may meet at any time and at any place within the state upon the call of the chairperson.

(6) If any member of the committee fails to attend three meetings of the committee within any 12-month period, such member's appointment shall terminate and a new member shall be appointed in the same manner prescribed by this section for the original appointment.

(c) The literacy advisory committee shall:

(1) Monitor progress of literacy training for in-service and pre-service teachers and literacy education of elementary and secondary students;

(2) designate best practices for literacy training for in-service and pre-service teachers and literacy education of elementary and secondary students;

(3) be responsible for the attainment of the transformational goal to have 100% of the Kansas special education, English for speakers of other languages and elementary teacher workforce achieve a micro-credential in the science of reading and structured literacy by 2030, leading to at least 50% of students in each of the grades three through eight achieving level 3 or above and at least 90% of students in each of the grades three through eight achieving level 2 or above on the English language arts state assessment by 2033;

(4) make recommendations to the director of literacy education;

(5) make recommendations to the state board of education, the state board of regents and the postsecondary educational institution presidents or chancellors on:

(A) Literacy training for in-service and pre-service teachers and literacy education of elementary and secondary students; and

(B) reading instruction methods based on the science of reading;

(6) make recommendations to the house of representatives standing committee on education and the senate standing committee on education on the implementation of the goals of the Kansas blueprint for literacy and any changes necessary to achieve such goals;

(7) (A) submit a progress report to the legislature on:

(i) English language arts state assessment scores for each grade level and all defined subgroups, including, but not limited to, English language learners, students receiving free meals pursuant to the national school lunch act, students in the custody of the secretary for children and families and race and ethnicity subgroups;

(ii) literacy training for in-service and pre-service teachers; and

(iii) the literacy advisory committee's goals and requirements provided in the Kansas blueprint for literacy;

(B) Such progress report shall be provided at the following times each calendar year:

(i) Once on or before February 1 to the senate committee on education and the house of representatives committee on education;

(ii) once on or before May 1 to the senate committee on education and the house of representatives committee on education; and

(iii) once on or before December 1 to any interim, special, or select committee, task force or commission that has membership that includes legislators, is related to education, has been approved by the legislative coordinating council and requests such report; and

(8) submit a plan to the state board of regents and the legislature, including the house of representatives standing committee on education and the senate standing committee on education, on the establishment of centers of excellence in reading pursuant to section 8, and amendments thereto, on or before January 1, 2025.

(d) The committee shall be subject to the Kansas open records act, K.S.A. 45-419 et seq., and amendments thereto, and the Kansas open meetings act, K.S.A. 75-4317 et seq., and amendments thereto. The committee shall publish each meeting agenda and any available meeting documents online prior to each scheduled meeting of the committee.

(e) (1) Legislative members of the committee and members appointed by a member of the legislature who attend meetings of the committee shall be paid for expenses, mileage and subsistence as provided in K.S.A. 75-3223(e), and amendments thereto.

(2) Members of the committee who are not members of the legislature may be paid for expenses, mileage and subsistence by the entity each such member was appointed by and represents.

(f) (1) The director of literacy education shall provide executive support to the committee.

(2) The staff of the state board of regents, office of revisor of statutes, the legislative research department and the division of legislative administrative services shall provide such assistance as may be requested by the committee.

New Sec. 4. (a) On or before July 1, 2024, the executive officer of the state board of regents shall appoint a director of literacy education.

(b) The director of literacy education shall be an employee of the state board of regents in the unclassified service who serves at the pleasure of the state board of regents. The compensation of the director shall be determined by the executive officer of the state board of regents.

(c) The director of literacy education shall:

(1) Serve as chairperson of the literacy advisory committee established in section 3, and amendments thereto;

(2) implement and administer the Kansas blueprint for literacy;

(3) provide executive support to the literacy advisory committee;

(4) appoint nonvoting members of the literacy advisory committee as the director deems necessary;

(5) work with the state board of education and the state board of regents to ensure:

(A) Progress on the initiatives, objectives and desired outcomes in the Kansas blueprint for literacy;

(B) the development and utilization of the comprehensive assessment system; and

(C) state educational institutions and elementary and secondary schools are using tier I literacy methodologies;

(6) encourage independent institutions referred to in section 2(c)(2)(C), and amendments thereto, to use such tier I methodologies;

(7) establish a program to track the science of reading and structured literacy training progression of in-service and pre-service early childhood and elementary teachers, special education teachers and paraprofessionals, reading specialists and early childhood and elementary administrators for all school districts in the state;

(8) on or before January 15 of each year, prepare and present a report to the senate standing committee on education and the house of representatives standing committee on education, or any successor committees, on the implementation and administration of the Kansas blueprint for literacy, including, but not limited to, an implementation timeline, progress of initiatives, development and utilization of the comprehensive assessment system, progress toward the goal established in section 3(c), and amendments thereto, use of tier I methodologies, outcomes and any proposed changes; and

(9) report to the house of representatives standing committee on education and the senate standing committee on education on or before January 31, 2025, on the progress of the state board of regents on utilization of the science of reading, elimination of discredited methodologies, use of universal screening measures and assessments in elementary and secondary schools in the state.

New Sec. 5. (a) Postsecondary educational institutions shall designate practices based on the science of reading through structured literacy as the official tier I literacy methodology and shall prohibit the use or teaching of any discredited methodologies, such as the three-cueing system.

(b) (1) The state board of regents, in collaboration with postsecondary educational institutions and research experts, shall establish a comprehensive reading and literacy assessment system with universal screening measures, diagnostic, formative and summative assessments to be used in teacher preparation programs in the state. Such assessment system shall allow teachers to adjust instruction to meet the specific needs of students, including with regard to reading difficulties and the remediation of reading and literacy skill gaps. The state board of regents shall make recommendations to the state board of education on such assessment system and ensure that such assessment system is available on or before May 1, 2025. Nothing in this paragraph shall be construed to include the English language arts statewide assessment.

(2) The state board of regents shall:

- (A) Develop training modules for the assessments on or before July 1, 2025;
- (B) support state board of education action to officially designate the science of reading as the official tier I literacy methodology;
- (C) support elementary and secondary schools as necessary to eliminate any discredited methodologies;
- (D) recommend literacy-specific universal screening measures and diagnostic, formative and summative assessments to the state board of education; and
- (E) approve reading instruction methodologies recommended by the literacy advisory committee for state educational institutions.

(3) On or before July 1, 2025, no school district shall use any textbooks or instructional materials that utilize:

- (A) The three-cueing system model of reading as the primary basis for teaching word recognition;
- (B) visual memory as the primary basis for teaching word recognition; or
- (C) the three-cueing system model of reading based on meaning, structure and syntax and visual cues, commonly known as MVS.

(c) The director of literacy education shall report to the house of representatives standing committee on education and the senate standing committee on education on or before January 31, 2025, on the progress of the state board of regents on utilization of the science of reading, elimination of discredited methodologies, use of universal screening measures and assessments in elementary and secondary schools in the state.

New Sec. 6. The state board of regents and the state board of education shall collaborate to:

- (a) Jointly approve micro-credential requirements for in-service teachers or certification requirements for pre-service teachers at state educational institutions in the science of reading and structured literacy;
- (b) develop or make accessible professional development programs and micro-credential courses for all in-service early childhood teachers, general education teachers and special education teachers at low or no cost to such teachers. Such programs and courses shall be delivered by national online learning programs or accredited Kansas postsecondary educational institutions;
- (c) ensure all pre-service teacher preparation programs at state educational institutions are based on the science of reading and structured literacy;
- (d) publish standards and course progressions to achieve transparency of Kansas reading education programs; and
- (e) provide data for the program to the director of literacy education that tracks the science of reading and structured literacy training progression of in-service and pre-service early childhood and elementary teachers, special education teachers and paraprofessionals, reading specialists and early childhood and elementary administrators for all school districts in the state.

New Sec. 7. The president or chancellor, provost and dean of the college or school of education of each postsecondary educational institution shall jointly have oversight and supervision of undergraduate and graduate level reading and literacy courses at their respective institution and shall:

(a) Ensure explicit courses in the science of reading and structured literacy, including the five pillars of reading for all undergraduate early childhood and elementary teacher preparation programs at state educational institutions;

(b) appoint one representative from each postsecondary educational institution to conduct an annual systemwide analysis of the curriculum maps across all literacy courses. Such analysis shall include identifying clear evidence of instructional approaches and the core components of reading development;

(c) present a report on such systemwide analysis and any results from such analysis to the literacy advisory committee;

(d) design and implement two three-credit hour applied application courses that shall be included within the approved graduation requirements to earn a degree in elementary education on or before August 2024;

(e) implement a common performance-based assessment for such courses to be used by all postsecondary educational institutions on or before August 2024;

(f) assist in the development of a science of reading and structured literacy micro-credential for early childhood teachers, elementary education teachers, English for speakers of other languages teachers, reading specialists, special education teachers and paraprofessionals, early childhood and elementary administrators that focuses on research-based fundamentals of reading instruction; and

(g) provide information, advice and recommendations to the literacy advisory committee.

New Sec. 8. The literacy advisory committee shall develop a plan to establish six regional centers of excellence in reading. The plan shall:

(a) Require postsecondary educational institutions to collaborate with colleges or schools of education, the center for reading at Pittsburg state university and community-based literacy organizations;

(b) include options that would allow centers for excellence in reading to be co-located in an existing building or school of a school district, postsecondary educational institution, community facility or other facility or building, as appropriate; and

(c) require such centers to:

(1) Provide evaluation and identification of reading difficulties and reading disabilities, including, but not limited, dyslexia;

(2) collaborate with school districts to develop strategic literacy plans for individual students;

(3) collaborate with the state department of education, state board of regents and postsecondary educational institutions to support pre-service and in-service teacher training;

(4) support the professional development and training of school-based instructional coaches;

(5) pilot structured reading applied learning simulation laboratories for pre-service and in-service teachers;

(6) pilot a literacy education simulation training laboratory for pre-service elementary teachers as a controlled environment for the application of the science of reading;

(7) identify projected cost, staffing and budget impacts to develop, expand and sustain the centers for excellence and reading simulation laboratories; and

(8) make recommendations and provide progress reports to the literacy advisory committee.

Sec. 9. K.S.A. 2023 Supp. 72-5170 is hereby amended to read as follows: 72-5170. (a) (1) In order to accomplish the mission for Kansas education, the state board shall design and adopt a school district accreditation system based upon improvement in performance that equals or exceeds the educational goal set forth in K.S.A. 72-3218(c), and amendments thereto, and is measurable. The state board shall hold all school districts accountable through the Kansas education systems accreditation rules and regulations, or any successor accreditation system and accountability plan adopted by the state board. The state board also shall ensure that all school districts and the public schools operated by such districts have programs and initiatives in place for providing those educational capacities set forth in K.S.A. 72-3218(c), and amendments thereto. On or before January 15 of each year, the state board shall prepare and submit a report on the school district accreditation system to the governor and the legislature.

(2) The accountability measures established pursuant to paragraph (1) shall be applied both at the district level and at the school level. Such accountability measures shall be reported by the state board for each school district and each school. All reports prepared pursuant to this section shall be published in accordance with K.S.A. 2023 Supp. 72-1181, and amendments thereto.

(3) If a school district is not fully accredited and a corrective action plan is required by the state board, such corrective action plan, and any subsequent reports prepared by the state board regarding the progress of such school district in implementing and executing such corrective action plan, shall be published on the state department of education's internet website and such school district's internet website in accordance with K.S.A. 2023 Supp. 72-1181, and amendments thereto.

(4) If a school district is not accredited, the superintendent, or the superintendent's designee, shall appear before the committee on education of the house of representatives and the committee on education of the senate during the regular legislative session that occurs during the same school year in which such school district is not accredited. Such school district shall provide a report to such committees on the challenges and obstacles that are preventing such school district from becoming accredited.

(b) The state board shall establish curriculum standards that reflect high academic standards for the core academic areas of mathematics, science, reading, writing and social studies. The curriculum standards shall be reviewed at least every seven years. Nothing in this subsection shall be construed in any manner so as to impinge upon any

school district's authority to determine its own curriculum.

(c)(1) The state board shall provide for statewide assessments in the core academic areas of mathematics, science, reading, writing and social studies. The board shall ensure compatibility between the statewide assessments and the curriculum standards established pursuant to subsection (b). Such assessments shall be administered at three grade levels, as determined by the state board. The state board shall determine performance levels on the statewide assessments, the achievement of which represents high academic standards in the academic area at the grade level to which the assessment applies. The state board should specify high academic standards both for individual performance and school performance on the assessments.

(2) (A) On or before January 15 of each year, the state board shall prepare and submit to the legislature a report on students who take the statewide assessments. Such report shall include:

(i) The number of students and such number expressed as a percentage of the total number of students who took the statewide assessments during the immediately preceding school year disaggregated by core academic area and by grade level; and

(ii) the percentage of students who took the statewide assessments in grade 10 who, two years after graduating from high school, obtained some postsecondary education disaggregated by statewide assessment achievement level.

(B) When such information becomes available, or as soon thereafter as practicable, the state board shall publish the information required for the report under subparagraph (A) on the website of the state department of education and incorporate such information in the performance accountability reports and longitudinal achievement reports required under K.S.A. 2023 Supp. 72-5178, and amendments thereto.

(C) The provisions of this paragraph shall expire on July 1, 2029.

(d) Each school year, on such date as specified by the state board, each school district shall submit the Kansas education system accreditation report to the state board in such form and manner as prescribed by the state board.

(e) Whenever the state board determines that a school district has failed either to meet the accreditation requirements established by rules and regulations or standards adopted by the state board or provide curriculum based on state standards and courses required by state law, the state board shall so notify the school district. Such notice shall specify the accreditation requirements that the school district has failed to meet and the curriculum that it has failed to provide. Upon receipt of such notice, the board of education of such school district is encouraged to reallocate the resources of the school district to remedy all deficiencies identified by the state board.

(f) Each school in every school district shall establish a school site council composed of the principal and representatives of teachers and other school personnel, parents of students attending the school, the business community and other community groups. School site councils shall be responsible for providing advice and counsel in evaluating state, school district, and school site performance goals and objectives and in determining the methods that should be employed at the school site to meet these goals and objectives. Site councils may make recommendations and proposals to the school board regarding budgetary items and school district matters, including, but not limited to, identifying and implementing the best practices for developing efficient and effective administrative and management functions. Site councils also may help school boards analyze the unique environment of schools, enhance the efficiency and

maximize limited resources, including outsourcing arrangements and cooperative opportunities as a means to address limited budgets.

Sec. 10. K.S.A. 74-3284 is hereby amended to read as follows: 74-3284. (a) K.S.A. 74-3284 through 74-3289, and amendments thereto, shall be known and may be cited as the Kansas education opportunity scholarship program act.

(b) As used in this act:

~~(a)(1)~~ "Kansas ethnic minority education opportunity scholarship program" means a program under which the state, in response to growing concerns over loss of talented ethnic minority students to institutions of postsecondary education in other states, the need to enhance the diversity of the student population at Kansas institutions of postsecondary education, and the barriers to ethnic minority student enrollment at Kansas institutions of postsecondary education and for the purpose of enabling and encouraging talented ethnic minority students to remain in Kansas for the attainment of educational goals and fulfillment of career aspirations; provides financial assistance through the award of Kansas ethnic minority education opportunity scholarships to Kansas ethnic minority education opportunity scholars.

~~(b)(2)~~ "Kansas ethnic minority education opportunity scholarship" means a financial award made by this state under this act to a Kansas ethnic minority education opportunity scholar.

~~(c)(3)~~ "Kansas ethnic minority education opportunity scholar" means a person who:

~~(1)(A)(i)~~ Is a resident of Kansas;

~~(2)~~ is a member of an ethnic minority group;

~~(3)(ii)~~ has been accepted for admission to or is enrolled full time in an educational program at an eligible institution;

~~(4)(iii)~~ has established financial need; and

~~(5)~~ has qualified for the award of a Kansas ethnic minority scholarship on the basis of having demonstrated educational ability, or who

~~(iv)~~ is a first generation student or has a parent who is employed in Kansas as a teacher or paraprofessional for any of the grades pre-K through 12; or

~~(B)~~ has previously so qualified and remains qualified for the renewal of a Kansas ethnic minority education opportunity scholarship on the basis of maintaining full-time enrollment in an educational program at an eligible institution, remaining in good standing; and making satisfactory progress toward completion of the requirements for the award of a degree or certificate of completion.

~~(d)(4)~~ "Eligible institution" means an institution of postsecondary education which maintains open enrollment, the main campus or principal place of operation of which is located in Kansas, and which qualifies as an eligible institution under the higher education act of 1965 (P.L. 89-329), as amended postsecondary educational institution, as defined in K.S.A. 74-3201b, and amendments thereto, or an accredited independent institution, as defined in K.S.A. 72-3222, and amendments thereto.

~~(e)~~ "Ethnic minority group" means a group of persons categorized as: (1) American Indian or Alaskan Native; (2) Asian or Pacific Islander; (3) Black, non-Hispanic; or (4) Hispanic.

~~(f)~~ "American Indian or Alaskan Native" means a person having origins in any of the original peoples of North America and who maintains cultural identification through tribal affiliation or community recognition.

~~(g)~~ "Asian or Pacific Islander" means a person having origins in any of the original

peoples of the far east, southeast Asia, the Indian subcontinent, or pacific islands. This includes, but not by way of limitation, persons from China, Japan, Korea, the Philippine Islands, Samoa, India and Vietnam.

(h) ~~"Black, non-Hispanic" means a person having origins in any of the black racial groups of Africa (except those of Hispanic origin).~~

(i) ~~"Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.~~

~~(j)(5) "Financial need" means the difference between the available financial resources of a Kansas ethnic minority education opportunity scholar and the scholar's total anticipated expenses to attend an eligible institution. A scholar's financial resources shall be determined on the basis of criteria provided under the federal methodology of need analysis. Financial need shall be determined annually.~~

~~(k)(6) "First generation student" means an individual who does not have a parent or guardian who has completed a baccalaureate degree.~~

~~(l)(7) "Semester" means one of two principal terms when there are only two principal terms in the academic year of an eligible institution whether or not there are other shorter terms during the same academic year of the eligible educational institution.~~

~~(m)(8) "Term" means one of two or more substantially equivalent divisions of the academic year of an eligible institution.~~

~~(n)(9) "Program period" means the duration of the period of time, or any division thereof, required for completion of a vocational or technical education program which is given in at an eligible institution.~~

~~(o) "Open enrollment" means the policy of an institution of postsecondary 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, ethnicity or national origin.~~

Sec. 11. K.S.A. 74-3285 is hereby amended to read as follows: 74-3285. (a) In each academic year, to the extent that appropriations are available for the Kansas ~~ethnic minority education opportunity~~ scholarship program and in accordance with the provisions of this act, the state board of regents may select for designation as a Kansas ~~ethnic minority education opportunity~~ scholar and for the award of a Kansas ~~ethnic minority education opportunity~~ scholarship any person who is qualified for such designation and award ~~and. The state board of regents shall renew the scholarship of each Kansas ethnic minority education opportunity scholar who remains qualified for a scholarship.~~

(b) In selecting persons for designation as Kansas ~~ethnic minority education opportunity~~ scholars, the state board of regents shall provide, insofar as possible and on the basis of a formulated procedure, for equitable apportionment of Kansas ~~ethnic minority education opportunity~~ scholarships ~~among the ethnic minority groups~~. The procedure formulated by the board of regents shall take into account: ~~(1) the differences among applicants in level of financial need and availability of financial resources so that scholarships are targeted to those applicants having the greatest needs; (2) the proportion that the population of each ethnic minority group bears to the population of all ethnic minority groups in the state; and (3) the differences across ethnic minority groups in the proportion of members thereof who complete high school. Financial need shall be determined annually.~~

(c) An applicant who fails to be awarded a Kansas ~~ethnic minority education~~

opportunity scholarship shall not be disqualified from applying therefor in a later academic year so long as all requirements for eligibility to apply for such award are met.

(d) The award or renewal of a ~~Kansas-ethnic minority education opportunity~~ scholarship shall be on an annual basis and shall be effective for one academic year unless otherwise terminated.

Sec. 12. K.S.A. 74-3286 is hereby amended to read as follows: 74-3286. (a) A ~~Kansas-ethnic minority education opportunity~~ scholarship shall provide for payment to a ~~Kansas-ethnic minority education opportunity~~ scholar of an amount in each academic year not to exceed an amount equal to 75% of the average amount of the total tuition and required fees of full-time, in-state students. A ~~Kansas-ethnic minority education opportunity~~ scholar may receive a ~~Kansas-ethnic minority education opportunity~~ scholarship for not more than eight semesters of undergraduate study or the equivalent thereof, except that a ~~Kansas-ethnic minority education opportunity~~ scholar may receive a ~~Kansas-ethnic minority education opportunity~~ scholarship for not more than an additional two semesters of study or the equivalent thereof when the requirements of the program in which the scholar is enrolled include the completion of a fifth year of study. The state board of regents shall determine the equivalent of a semester when any program period or all or part of the terms for which a ~~Kansas-ethnic minority education opportunity~~ scholar is awarded a ~~Kansas-ethnic minority education opportunity~~ scholarship are not semesters.

(b) A ~~Kansas-ethnic minority education opportunity~~ scholar who is also eligible to receive a Kansas comprehensive grant or a state scholarship may be awarded such grant or scholarship, or both, in addition to a ~~Kansas-ethnic minority education opportunity~~ scholarship. In no event shall the amount awarded to a ~~Kansas-ethnic minority education opportunity~~ scholar under a ~~Kansas-ethnic minority education opportunity~~ scholarship or the total of any amounts awarded thereunder and under a state scholarship or a Kansas comprehensive grant, or both, exceed an amount equal to the amount of the scholar's financial need for the period.

Sec. 13. K.S.A. 74-3287 is hereby amended to read as follows: 74-3287. The state board of regents shall adopt rules and regulations for administration of ~~the provisions of~~ this act and shall:

(a) Publicize the ~~Kansas-ethnic minority education opportunity~~ scholarship program and the manner and method of qualifying for designation as a ~~Kansas-ethnic minority education opportunity~~ scholar and for the award of a ~~Kansas-ethnic minority education opportunity~~ scholarship;

(b) provide application forms;

(c) determine residence, as provided by law, of applicants for ~~Kansas-ethnic minority education opportunity~~ scholarships;

(d) ~~establish a system for identifying and categorizing members of ethnic minority groups;~~

~~(e) determine eligibility of applicants for Kansas-ethnic minority education opportunity scholarships;~~

~~(f)(e)~~ determine the evidence deemed necessary to be submitted as proof of educational ability;

~~(g)(f)~~ designate ~~Kansas-ethnic minority education opportunity~~ scholars;

~~(h)(g)~~ notify each person who qualifies for designation as a ~~Kansas-ethnic minority~~

education opportunity scholar and for the award of a Kansas ~~ethnic minority education opportunity~~ scholarship or who remains qualified as a Kansas ~~ethnic minority education opportunity~~ scholar for the renewal of a Kansas ~~ethnic minority education opportunity~~ scholarship;

(~~h~~) approve and award or renew Kansas ~~ethnic minority education opportunity~~ scholarships;

(~~i~~) determine the equivalent of a semester for the purpose of awarding Kansas ~~ethnic minority education opportunity~~ scholarships for any program period or term that is not a semester;

(~~j~~) define ~~full-time~~ full-time enrollment;

(~~k~~) provide for apportionment of Kansas ~~ethnic minority education opportunity~~ scholarships if appropriations therefor are insufficient for payment in full to all Kansas ~~ethnic minority education opportunity~~ scholars;

(~~l~~) request any eligible institution to furnish any information relating to and necessary for administration of this act;

(~~m~~) determine the average amount of tuition and fees required of full-time, in-state students for enrollment at the state educational institutions; and

(~~n~~) evaluate the Kansas ~~ethnic minority education opportunity~~ scholarship program annually, and make a report thereon to the governor and legislature.

Sec. 14. K.S.A. 74-3288 is hereby amended to read as follows: 74-3288. In accordance with the rules and regulations of the state board of regents, each ~~person individual~~ who desires to be designated as a Kansas ~~ethnic minority education opportunity~~ scholar and to receive a Kansas ~~ethnic minority education opportunity~~ scholarship shall:

(a) Complete and file an application for a Kansas ~~ethnic minority education opportunity~~ scholarship;

(b) submit the evidence required as proof of educational ability; and

(c) report promptly any information requested relating to administration of this act.

Sec. 15. K.S.A. 74-3289 is hereby amended to read as follows: 74-3289. (a) Kansas ~~ethnic minority education opportunity~~ scholarships may be paid annually for two semesters or the equivalent thereof, and may be allocated equally between the semesters or the equivalent of semesters, or otherwise, as determined by the state board of regents. Kansas ~~ethnic minority education opportunity~~ scholarships shall be paid at a time or times to be determined by the state board of regents upon certification by an eligible institution that a Kansas ~~ethnic minority education opportunity~~ scholar is enrolled full time in an educational program. Payments of Kansas ~~ethnic minority education opportunity~~ scholarships shall be made upon vouchers approved by the administrative officer of the state board of regents designated by the state board and upon warrants of the director of accounts and reports. Payments of Kansas ~~ethnic minority education opportunity~~ scholarships may be made by the issuance of a single warrant to each eligible institution ~~at which where~~ a Kansas ~~ethnic minority education opportunity~~ scholar is enrolled for the total amount of Kansas ~~ethnic minority education opportunity~~ scholarships for all Kansas ~~ethnic minority education opportunity~~ scholars enrolled at that institution. The director of accounts and reports shall cause such warrant to be delivered to the eligible institution ~~at which where~~ such scholar or scholars are enrolled. Upon receipt of such warrant, the eligible institution shall credit immediately the account of each Kansas ~~ethnic minority education opportunity~~ scholar enrolled at that

institution by an amount specified by the board of regents for each such scholar.

(b) If a Kansas ~~ethnic minority education opportunity~~ scholar discontinues attendance before the end of any semester or equivalent thereof, after an eligible institution has received payment under this section, the eligible institution shall pay to the state:

(1) ~~The entire amount which that~~ such scholar would otherwise qualify to have refunded not to exceed the amount of the payment made under a Kansas ~~ethnic minority education opportunity~~ scholarship for the semester or equivalent thereof; or

(2) ~~if a Kansas ethnic minority education opportunity~~ scholar has received payments under any federal program of student assistance in the semester, the state's pro rata share of the entire amount ~~which that~~ such scholar would otherwise qualify to have refunded; not to exceed the amount of the payment made under a Kansas ~~ethnic minority education opportunity~~ scholarship for the semester or equivalent thereof.

(c) All amounts paid to the state by an eligible institution under subsection (b) shall be deposited in the state treasury and credited to the Kansas ~~ethnic minority education opportunity~~ scholarship discontinued attendance fund, ~~which, The Kansas education opportunity scholarship discontinued attendance fund~~ is hereby created. All expenditures from the Kansas ~~ethnic minority education opportunity~~ scholarship discontinued attendance fund shall be for Kansas ~~ethnic minority education opportunity~~ scholarships.

Sec. 16. K.S.A. 74-3292 is hereby amended to read as follows: 74-3292. As used in this act:

(a) ~~"Committee" means the nursing service scholarship review committee established under K.S.A. 74-3299, and amendments thereto.~~

~~(b)~~ "Executive officer" means the chief executive officer of the state board of regents appointed under K.S.A. 74-3203a, and amendments thereto.

~~(c)~~(b) "Mental health or treatment facility" means:

(1) Any private treatment facility as ~~such term~~ is defined in K.S.A. 59-29b46, and amendments thereto;

(2) any public treatment facility as ~~such term~~ is defined in K.S.A. 59-29b46, and amendments thereto;

(3) any community mental health center organized pursuant to ~~the provisions of~~ K.S.A. 19-4001 through 19-4015, and amendments thereto, and licensed pursuant to K.S.A. 39-2001 et seq., and amendments thereto;

(4) any mental health clinic organized pursuant to ~~the provisions of~~ K.S.A. 65-211 through 65-215, and amendments thereto, and licensed pursuant to K.S.A. 39-2001 et seq., and amendments thereto;

(5) any psychiatric hospital, psychiatric residential treatment facility or residential care facility as such terms are defined in K.S.A. 39-2002, and amendments thereto;

(6) any hospital as defined in K.S.A. 65-425, and amendments thereto, ~~provided if:~~

(A) The hospital has a psychiatric unit; and

(B) the scholarship recipient is required to fulfill the nursing service scholarship's employment obligations as an employee in the psychiatric unit of the hospital; or

(7) Osawatomie state hospital, Rainbow mental health facility, Larned state hospital, Parsons state hospital and training center or the Kansas neurological institute.

~~(d) "Rural area" means any county of this state other than Douglas, Johnson, Sedgwick, Shawnee and Wyandotte counties.~~

~~(c)~~(c) "School of nursing" means a school within the state of Kansas ~~which~~ that is approved by the state board of nursing to grant an associate degree or a baccalaureate degree in professional nursing or a certificate of completion in practical nursing and is:

- (1) Under the control and supervision of the state board of regents;
- (2) a municipal university; or
- (3) a not-for-profit independent institution of higher education that has its main campus or principal place of operation in Kansas, maintains open enrollment as ~~such term~~ is defined in K.S.A. 74-32,120, and amendments thereto, and is operated independently and not controlled or administered by the state or any agency or subdivision thereof.

~~(d)~~(d) "Sponsor" means any of the following that is located in a rural opportunity zone as defined in K.S.A. 74-50,222, and amendments thereto:

(1) An adult care home licensed under the adult care home licensure act, any K.S.A. 39-923 et seq., and amendments thereto:

(2) a medical care facility licensed under K.S.A. 65-425 et seq., and amendments thereto, any;

(3) a home health agency licensed under K.S.A. 65-5101 et seq., and amendments thereto, any;

(4) a local health department as defined in K.S.A. 65-241, and amendments thereto, any;

(5) a mental health or treatment facility; and any

(6) a state agency ~~which that~~ employs licensed practical nurses or licensed professional nurses.

Sec. 17. K.S.A. 74-3293 is hereby amended to read as follows: 74-3293. (a) There is hereby established the nursing service scholarship program. A scholarship may be awarded under the nursing service scholarship program to any qualified nursing student enrolled in or admitted to a school of nursing in a course of instruction leading to licensure as a licensed professional nurse or licensed practical nurse. A nursing student shall not be required to be a resident of Kansas to qualify for a scholarship under the nursing service scholarship program. ~~The number of new scholarships awarded under the nursing service scholarship program in each year shall not exceed 250. Of this number, except as otherwise provided in this section, 100 scholarships shall be awarded to nursing students whose sponsors are located in rural areas and who are enrolled in a course of instruction leading to licensure as a registered professional nurse, 50 scholarships shall be awarded to nursing students enrolled in a course of instruction leading to licensure as a licensed practical nurse and the remaining 100 scholarships shall be awarded to any nursing students who have a sponsor and who are enrolled in a course of instruction leading to licensure as a registered professional nurse. If all scholarships authorized to be awarded under this section to nursing students whose sponsors are located in rural areas have not been awarded by a date established by the state board of regents, the scholarships which have not been awarded by that date may be awarded to nursing students who have a sponsor and who are otherwise qualified to be awarded a scholarship under the nursing service scholarship program. The determination of the individuals qualified for such scholarships shall be made by the executive officer after seeking advice from the committee. Within each scholarship category prescribed by this subsection, Scholarships shall be awarded on a priority basis to qualified applicants: (1) Whose sponsor is a mental health or treatment facility; and~~

~~(2) who have the greatest financial need for such scholarships. To the extent practicable and consistent with the other provisions of this section, consideration shall be given to minority applicants.~~

~~(b) Scholarships awarded under the nursing service scholarship program shall be awarded for the length of the course of instruction leading to licensure as a licensed professional nurse or licensure as a licensed practical nurse in which the student is enrolled in or admitted to unless otherwise terminated before the expiration of such period of time. Such scholarships shall provide to a nursing student:~~

~~(1) If the nursing student is enrolled in a school of nursing operated by a state educational institution, an amount not to exceed 70% of the in-state tuition cost of attendance for an academic year at the school of nursing in which the nursing student is enrolled; or~~

~~(2) if the nursing student is enrolled in a school of nursing not operated by a state educational institution, the lesser of: (A) An amount not to exceed 70% of the in-state tuition cost of attendance for a year at the school of nursing in which the nursing student is enrolled; or (B) an amount not to exceed 70% of the average amount of the in-state tuition cost of attendance for a year at the schools of nursing operated by the state educational institutions.~~

~~(c)(1) Except as provided in paragraph (2), the amount of each scholarship shall be established annually by the executive officer and shall be financed equally by the sponsor of the nursing student and by the state of Kansas except if:~~

~~(1) The sponsor is located in a rural area or is a health care facility which has less than 100 beds, and is not a mental health or treatment facility pursuant to K.S.A. 74-3292(c)(1), (c)(5) or (c)(6), and amendments thereto, the total amount of the scholarship financed by such sponsor shall not exceed \$1,000 and the balance of such amount shall be paid by the state of Kansas; or~~

~~(2) the sponsor is a mental health or treatment facility pursuant to K.S.A. 74-3292(c)(2), (c)(3), (c)(4) or (c)(7), and amendments thereto, the amount of the scholarship shall be paid by the state and such sponsor shall not finance any amount of the scholarship.~~

~~(2) If the nursing student has a sponsor, then the amount of the scholarship for such nursing student shall not exceed the amount established under paragraph (1) multiplied by 125%.~~

Sec. 18. K.S.A. 74-3294 is hereby amended to read as follows: 74-3294. (a) An applicant for a scholarship under the nursing service scholarship program shall provide to the executive officer, on forms supplied by the executive officer, the following information:

- (1) The name and address of the applicant;
  - (2) the name and address of the school of nursing in which the applicant is enrolled or to which the applicant has been admitted;
  - (3) the name and address of the sponsor of the applicant and a verified copy of the agreement entered into by the applicant and the sponsor in accordance with the provisions of the nursing service scholarship program; and
  - (4) any additional information which that may be required by the executive officer.
- (b) As a condition to awarding a scholarship under the nursing service scholarship program, the executive officer and the applicant for a scholarship shall enter into an agreement which that shall require that the scholarship recipient:

(1) Complete the required course of instruction and, within six months after completion, attain licensure with the Kansas state board of nursing as a licensed professional nurse or a licensed practical nurse;

(2) complete the free application for federal student aid for each academic year for which scholarship funds are awarded under the agreement;

(3) within six months after attaining licensure, engage in the full-time practice of nursing, or the equivalent to full-time practice, ~~in the employment of the sponsor in accordance with the agreement entered into by the scholarship recipient and the sponsor~~ Kansas and continue such full-time practice, or the equivalent to full-time practice, for the total amount of time required under the agreement, which shall be for a period of not less than the length of the course of instruction for which scholarship assistance was provided, or engage in the part-time practice of nursing ~~in the employment of the sponsor in accordance with the agreement entered into by the scholarship recipient and the sponsor~~ Kansas and continue such part-time practice for the total amount of time required under the agreement, which shall be for a period of time that is equivalent to full time, as determined by the state board of regents, multiplied by the length of the course of instruction for which scholarship assistance was provided. If the scholarship recipient has a sponsorship agreement, then the scholarship recipient shall engage in the practice of nursing in the employment of such sponsor in accordance with such sponsorship agreement for the period of time required under this paragraph, except as provided in K.S.A. 74-3296, and amendments thereto;

~~(3)(4) commence the full-time practice of nursing, or the equivalent to full-time practice, or the part-time practice of nursing, within six months after registration in accordance with the agreement entered into by the scholarship recipient and the sponsor, continue such practice for the total amount of time required under the agreement, and comply with such other terms and conditions as may be specified by such agreement;~~

~~(4)(5) maintain records and make reports to the executive officer as may be required by the executive officer to document the satisfaction of the obligations under the nursing service scholarship program and under agreements entered into with the sponsor pursuant thereto and with the sponsor, if any; and~~

~~(5)(6) upon failure to satisfy an agreement to engage in the full-time practice of nursing, or the equivalent to full-time practice, or the part-time practice of nursing, for the required period of time under any such agreement, the requirements of the agreement with the state board of regents, repay to the state and to the sponsor the amounts as provided in K.S.A. 74-3295, and amendments thereto.~~

~~(e) Upon the awarding of a scholarship under the nursing service scholarship program, the sponsor shall pay to the executive officer the amount of such scholarship to be financed by the sponsor, if any. Each such amount shall be deposited in the nursing service scholarship program fund in accordance with K.S.A. 74-3298, and amendments thereto.~~

~~(d) The sponsorship by a scholarship recipient may be transferred from one sponsor to another upon the agreement of the original sponsor, the scholarship recipient and the sponsor to which the sponsorship is to be transferred. The terms, conditions and obligations of the transferred agreement shall be substantially similar to the terms, conditions and obligations of the original agreement. No sponsorship shall be transferred unless the agreement transferring such sponsorship provides for service in a~~

rural area or in a mental health or treatment facility and is approved by the executive officer as consistent with the provisions of the nursing service scholarship program and as consistent with any rules and regulations relating thereto adopted by the state board of regents in accordance with the provisions of K.S.A. 74-3297, and amendments thereto.

Sec. 19. K.S.A. 74-3295 is hereby amended to read as follows: 74-3295. (a) Except as provided in K.S.A. 74-3296, and amendments thereto, upon the failure of any person to satisfy the obligation under any agreement entered into pursuant to the nursing service scholarship program, such person shall pay to the executive officer an amount equal to the total amount of money received by such person pursuant to such agreement ~~which that~~ was financed by the state of Kansas plus accrued interest at a rate ~~which is~~ equivalent to the interest rate applicable to loans made under the federal PLUS program at the time such person first entered into an agreement plus five percentage points and shall pay to the sponsor an amount equal to the total amount of money received by such person pursuant to such agreement which was financed by the sponsor plus accrued interest at a rate which is equivalent to the interest rate applicable to loans made under the federal PLUS program at the time such person first entered into an agreement plus five percentage points of 5% per annum. Interest shall begin to accrue on the date of the action or circumstances that cause such person to fail to satisfy the obligations of such agreement, as determined by the executive officer based upon the circumstances of each individual case. Installment payments of any such amounts may be made in accordance with the provisions of agreements entered into by the scholarship recipient and the sponsor or if no such provisions exist in such agreements, in accordance with rules and regulations of the state board of regents, ~~except that~~ Such installment payments shall commence six months after the date ~~of the action or circumstances that cause the failure of the person to satisfy the obligations of such agreements, as determined by the executive officer based upon the circumstances of each individual case~~ on which interest begins to accrue. Amounts paid under this section to the executive officer shall be deposited in the nursing service scholarship repayment fund in accordance with K.S.A. 74-3298, and amendments thereto.

(b) The state board of regents is authorized to turn any repayment account arising under the nursing service scholarship program over to a designated loan servicer or collection agency, the state not being involved other than to receive payments from the loan servicer or collection agency at the interest rate prescribed under this section.

Sec. 20. K.S.A. 74-3296 is hereby amended to read as follows: 74-3296. (a) (1) Except as otherwise specified in the agreement with the sponsor, an obligation under any agreement entered into under the nursing student scholarship program shall be postponed:

- ~~(1)(A)~~ During any required period of active military service;
- ~~(2)(B)~~ during any period of service as a part of volunteers in service to America (VISTA);
- ~~(3)(C)~~ during any period of service in the peace corps;
- ~~(4)(D)~~ during any period of service commitment to the United States public health service;
- ~~(5)(E)~~ during any period of religious missionary work conducted by an organization exempt from tax under section 501(c)(3) of the federal internal revenue code as in effect on ~~December 31, 2000~~ July 1, 2024;

~~(6)(F)~~ during any period of time the person obligated is unable because of temporary medical disability to practice nursing;

~~(7)(G)~~ during any period of time the person obligated is enrolled and actively engaged on a full-time basis in a course of study leading to a degree in the field of nursing ~~which~~ that is higher than that attained formerly by the person obligated;

~~(8)(H)~~ during any period of time that the person obligated is on job-protected leave under the federal family and medical leave act of 1993; or

~~(9)(I)~~ during any period of time the state board of regents determines that the person obligated is unable because of special circumstances to practice nursing.

~~(2)~~ Except for ~~clauses (6), (8) and (9) paragraphs (1)(F), (1)(H) and (1)(I),~~ an obligation under any agreement entered into as provided in the nursing service scholarship program shall not be postponed more than five years from the time the obligation was to have been commenced under any such agreement.

~~(3)~~ An obligation under any agreement entered into as provided in the nursing service scholarship program shall be postponed under ~~clause (6) paragraph (1)(F)~~ during the period of time the medical disability exists.

~~(4)~~ An obligation under any agreement entered into as provided in the nursing service scholarship program shall be postponed under ~~clause (8) paragraph (1)(H)~~ during the period of time the person obligated remains on FMLA leave.

~~(5)~~ An obligation under any agreement entered into as provided in the nursing service scholarship program shall be postponed under ~~clause (9) paragraph (1)(I)~~ during the period of time the state board of regents determines that the special circumstances exist.

~~(6)~~ The state board of regents shall adopt rules and regulations prescribing criteria or guidelines for determination of the existence of special circumstances causing an inability to satisfy an obligation under any agreement entered into as provided in the nursing service scholarship program, and shall determine the documentation required to prove the existence of such circumstances. Except for ~~clauses (1), (6), (8) and (9) paragraphs (1)(A), (1)(F), (1)(H) and (1)(I),~~ an obligation under any agreement entered into as provided in the nursing service scholarship program shall not be postponed unless the postponement is approved by the scholarship recipient's sponsor, if any, or is otherwise provided for in ~~the~~ an agreement with the sponsor.

(b) An obligation under any agreement entered into as provided in the nursing service scholarship program shall be satisfied if:

(1) ~~if~~The obligation has been completed in accordance with the agreement;

(2) ~~if~~the person obligated dies;

(3) ~~if~~,because of permanent physical disability, the person obligated is unable to satisfy the obligation;

(4) ~~if~~the person obligated fails to satisfy the requirements for graduation from the school of nursing after making the best effort possible to do so; and

(5) ~~if~~the person obligated fails to satisfy all requirements for a permanent license to practice nursing in Kansas or has been denied a license after applying for a license and making the best effort possible to obtain such license; ~~(6) if, because of bankruptcy, loss of licensure or certification or other failure in the operations of the sponsor, the sponsor cannot or will not employ the person obligated; or (7) if the sponsor releases the person obligated from employment with the sponsor and the person obligated otherwise completes the terms, conditions and obligations of the agreement by engaging~~

in the practice of nursing in Kansas.

(c) (1) An obligation under any sponsorship agreement shall be satisfied if:

(A) Because of bankruptcy, loss of licensure or certification or other failure in the operations of the sponsor, such sponsor cannot or will not employ the person obligated; or

(B) the sponsor releases the person obligated from employment with such sponsor.

(2) Notwithstanding the provisions of paragraph (1), the person obligated shall still be required to complete the terms, conditions and obligations of the agreement with the state board of regents by engaging in the practice of nursing in Kansas.

Sec. 21. K.S.A. 74-3297 is hereby amended to read as follows: 74-3297. (a) ~~The state board of regents, after consultation with the committee, may adopt rules and regulations establishing minimum terms, conditions and obligations which shall be incorporated into the provisions of any agreement entered into between a sponsor and the recipient of a scholarship under the nursing service scholarship program. The terms, conditions and obligations shall be consistent with the provisions of law relating to the nursing service scholarship program. The terms, conditions and obligations so established shall include, but not be limited to, the terms of eligibility for financial assistance under the nursing service scholarship program, the amount of financial assistance to be offered, the length of employment with the sponsor required as a condition to the receipt of such financial assistance, the circumstances under which the employment obligation may be discharged or forgiven, the amount of money required to be repaid because of failure to satisfy the obligations under an agreement and the method of repayment and such other additional provisions as may be necessary to carry out the provisions of the nursing service scholarship program. The state board of regents, after consultation with the committee, shall adopt rules and regulations as necessary to administer the nursing service scholarship program.~~

(b) The state board of regents shall provide an annual written report on the nursing service scholarship program to the senate and house committees on education.

Sec. 22. K.S.A. 74-3298 is hereby amended to read as follows: 74-3298. (a) ~~There is hereby created in the state treasury the nursing service scholarship program fund. The executive officer shall remit all moneys received from sponsors, which are paid under K.S.A. 74-3294, and amendments thereto, pursuant to scholarship awards, or from a school of nursing, which that are paid because of nonattendance or discontinued attendance by scholarship recipients, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the nursing service scholarship program fund. All expenditures from the nursing service scholarship program fund shall be for scholarships awarded under the nursing service scholarship program or refunds to sponsors and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive officer or by a person designated by the executive officer.~~

(b) The nursing student scholarship discontinued attendance fund is hereby abolished. On the effective date of this act, the director of accounts and reports shall transfer all moneys remaining in the nursing student scholarship discontinued attendance fund to the nursing service scholarship program fund.

(c) There is hereby created in the state treasury the nursing service scholarship

repayment fund. The executive officer shall remit all moneys received for amounts paid under K.S.A. 74-3295, and amendments thereto, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance the state treasurer shall deposit the entire amount in the state treasury to the credit of the nursing service scholarship repayment fund. All expenditures from the nursing service scholarship repayment fund shall be for scholarships awarded under the nursing service scholarship program and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive officer or by a person designated by the executive officer.";

On page 3, following line 20, by inserting:

"Sec. 24. K.S.A. 2023 Supp. 75-4364 is hereby amended to read as follows: 75-4364. (a) This section shall be known and may be cited as the Kansas hero's scholarship act.

(b) As used in this section:

(1) "Accident" means an undesigned, sudden and unexpected traumatic event, usually of an afflictive or unfortunate nature and often, but not necessarily, accompanied by a manifestation of force. An "accident" shall be identifiable by the time and place of occurrence, produce at the time symptoms of an injury and occur during a single work shift. The "accident" shall be the prevailing factor in causing the injury.

(2) "Covered person" means a public safety officer or Kansas resident in military service to whom this section applies.

(3) "Dependent" means: (A) A birth child, adopted child or stepchild; or (B) any child other than the foregoing who is actually dependent in whole or in part on the individual and who is related to such individual by marriage or consanguinity.

(4) "Emergency medical service provider" means the same as defined in K.S.A. 65-6112, and amendments thereto.

(5) "Fees" ~~mean~~ means those charges required by an institution to be paid by every student as a condition of enrollment. "Fees" ~~do~~ does not include all other charges associated with the student's academic program or living costs.

(6) "Firefighter" means a person who is: (A) Employed by any city, county, township or other political subdivision of the state and who is assigned to the fire department thereof and engaged in the fighting and extinguishment of fires and the protection of life and property therefrom; or (B) a volunteer member of a fire district, fire department or fire company.

(7) "Injured or disabled" means that the covered person, because of the injury or disability, has been rendered incapable of performing the duties of the following:

(A) The position being performed at the time the injury or disability was sustained; and

(B) any position that is at or above the pay level of the position the covered person was in at the time the injury or disability was sustained, if the covered person is a paid employee.

(8) "Injury" and "disability" mean any lesion or change in the physical structure of the body causing damage or harm thereto that is not transitory or minor. "Injury" and "disability" shall occur only by accident, intentional act of violence or repetitive trauma.

(9) (A) "Intentional act of violence" means one or a combination of the following:

(i) A deliberate act by a third party that results in inflicting harm on a covered

person while such person is performing those duties; or

(ii) a deliberate act by a covered person in the reasonable performance of duties as a covered person that results in the infliction of harm on the covered person.

(B) An "intentional act of violence" shall be identifiable by the time and place of occurrence, produce at the time symptoms of an injury and occur during a single work shift. The "intentional act of violence" shall be the prevailing factor in causing the injury.

(C) "Intentional act of violence" does not include repetitive trauma in any form.

(10) "Kansas postsecondary educational institution" means and includes community colleges, the municipal university, state educational institutions, the institute of technology at Washburn university and technical colleges.

(11) "Law enforcement officer" means a person who by virtue of office or public employment is vested by law with a duty to maintain public order or to make arrests for violation of the laws of the state of Kansas or ordinances of any municipality thereof or with a duty to maintain or assert custody or supervision over persons accused or convicted of crime, and includes wardens, superintendents, directors, security personnel, officers and employees of adult and juvenile correctional institutions, jails or other institutions or facilities for the detention of persons accused or convicted of crime, while acting within the scope of their authority.

(12) "Military service" means any active service in any armed service of the United States and any active state or federal service in the Kansas army or air national guard.

(13) "Nature of the employment" means that, to the occupation, trade or employment in which the covered person was engaged, there is attached a particular and peculiar hazard of the injury or disability that distinguishes the performance of job duties from other occupations and employments and that creates a hazard of such injury or disability in excess of the hazard of the injury or disability in general.

(14) "Prisoner of war" means any person who was a resident of Kansas at the time the person entered service of the United States armed forces and who, while serving in the United States armed forces, has been declared to be a prisoner of war, as established by the United States secretary of defense, after January 1, 1960.

(15) "Public safety employee" means any employee of a law enforcement office, sheriff's department, municipal fire department, volunteer and non-volunteer fire protection association, emergency medical services provider or correctional institution of the department of corrections.

(16) "Public safety officer" means a law enforcement officer, a firefighter, an emergency medical service provider or a public safety employee.

(17) (A) "Repetitive trauma" means the cause of an injury that occurs as a result of repetitive use, cumulative traumas or microtraumas. The repetitive nature of the injury shall be demonstrated by diagnostic or clinical tests. The "repetitive trauma" shall be the prevailing factor in causing the injury.

(B) For purposes of the educational benefit conferred by this section, "repetitive trauma" includes only an injury arising out of the performing of duties and resulting from the nature of the employment in which a covered person was engaged and that was actually contracted while so engaged. The injury shall appear to have had its origin in a special risk of the injury connected with the particular type of employment and to have resulted from that source as a reasonable consequence of the risk. Ordinary injuries of life and conditions to which the general public is or could be exposed outside of the

particular employment, and hazards of injuries and conditions attending employment in general, shall not qualify as "repetitive trauma."

(18) "Resident of Kansas" means a person who is a domiciliary resident as defined by K.S.A. 76-729, and amendments thereto.

(19) "Spouse" means the spouse of a public safety officer or member of the military service who has not remarried.

(20) "State board" means the state board of regents.

(c) (1) Up to the aggregate limit for such financial assistance established for each academic year by the state board of regents based on the annual appropriated amounts for the reimbursements paid pursuant to subsection (d), every Kansas postsecondary educational institution shall provide for enrollment without charge of tuition or fees for:

(A) Any eligible dependent or spouse of a public safety officer who:

(i) Was injured or disabled while performing duties as a public safety officer; or

(ii) died as the result of injury sustained while performing duties as a public safety officer;

(B) any dependent or spouse of any resident of Kansas who:

(i) ~~Died or was injured or disabled on or after September 11, 2001, while, and as a result of, serving in military service;~~

(ii) sustained a service-connected injury or disability that rendered the servicemember incapable of continuing such servicemember's military service; or

(iii) is entitled to compensation from the United States department of veterans affairs for a service-connected disability of at least 80% because of a public statute administered by the department of veterans affairs or a military department as a result of injuries or accidents sustained in combat after September 11, 2001; and

(C) any prisoner of war.

(2) Any such dependent or spouse and any prisoner of war shall be eligible for enrollment at a Kansas postsecondary educational institution without charge of tuition or fees for not to exceed 10 semesters of undergraduate instruction, or the equivalent thereof, at all such institutions.

(d) Subject to appropriations therefor, any Kansas postsecondary educational institution, at which enrollment, without charge of tuition or fees, of a prisoner of war or a dependent or spouse is provided for under subsection ~~(b)~~ (c), may file a claim with the state board for reimbursement of the amount of such tuition and fees. ~~In any fiscal year, such reimbursement shall not exceed a total of \$500,000.~~ The state board shall include in its budget estimates pursuant to K.S.A. 75-3717, and amendments thereto, a request for appropriations to cover tuition and fee claims pursuant to this section. The state board shall be responsible for payment of reimbursements to Kansas postsecondary educational institutions upon certification by each such institution of the amount of reimbursement to which such institution is entitled. Payments to Kansas postsecondary educational institutions shall be made upon vouchers approved by the state board, or the state board's designee, and upon warrants of the director of accounts and reports. Payments may be made by issuance of a single warrant to each Kansas postsecondary educational institution at which one or more eligible dependents or spouses or prisoners of war are enrolled for the total amount of tuition and fees not charged for enrollment at that institution. The director of accounts and reports shall cause such warrant to be delivered to the Kansas postsecondary educational institution at which any such eligible dependents or spouses or prisoners of war are enrolled. If an

eligible dependent or spouse or prisoner of war discontinues attendance before the end of any semester, after the Kansas postsecondary educational institution has received payment under this subsection, ~~the such~~ institution shall pay to the state the entire amount that such eligible dependent or spouse or prisoner of war would otherwise qualify to have refunded, not to exceed the amount of the payment made by the state in behalf of such dependent or spouse or prisoner of war for the semester. All amounts paid to the state by Kansas postsecondary educational institutions under this subsection shall be deposited in the state treasury and credited to the state general fund.

(e) The state board shall adopt rules and regulations for administration of the provisions of this section and shall determine the qualification of persons as dependents and spouses of public safety officers or United States military personnel and the eligibility of such persons for the benefits provided for under this section.";

Also on page 3, in line 21, before "K.S.A" by inserting "K.S.A. 74-3284, 74-3285, 74-3286, 74-3287, 74-3288, 74-3289, 74-3292, 74-3293, 74-3294, 74-3295, 74-3296, 74-3297, 74-3298 and 74-3299 and"; also in line 21, after "Supp." by inserting "72-5170,"; also in line 21, by striking "is" and inserting "and 75-4364 are";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "postsecondary"; also in line 1, by striking all after the semicolon; in line 2, by striking "program" and inserting "making and concerning appropriations for the fiscal year ending June 30, 2025, for the state board of regents; establishing the Kansas blueprint for literacy and the literacy advisory committee; directing the state board of regents to appoint a director of literacy education and develop a comprehensive assessment system; requiring the state board of regents and the state board of education to collaborate on a literacy micro-credential and professional development; providing university presidents and deans of education oversight over postsecondary literacy courses; requiring a plan to establish centers of excellence in reading; requiring the state board of education to submit annual reports to the legislature on certain statistics of students who take the statewide assessments; establishing the Kansas education opportunity scholarship program to replace the Kansas ethnic minority scholarship program; removing limits on Kansas nursing service scholarship awards and modifying the interest rate terms and repayment obligations for such awards; abolishing the nursing service scholarship review committee"; in line 3, after "payment" by inserting "for the AO-K program; modifying financial limitations on Kansas hero's scholarship awards and broadening eligibility requirements for such awards"; also in line 3, after "amending" by inserting "K.S.A. 74-3284, 74-3285, 74-3286, 74-3287, 74-3288, 74-3289, 74-3292, 74-3293, 74-3294, 74-3295, 74-3296, 74-3297 and 74-3298 and"; also in line 3, after "Supp." by inserting "72-5170,"; also in line 3, after "74-32,267" by inserting "and 75-4364"; in line 4, by striking "section" and inserting "sections; also repealing K.S.A. 74-3299";

Also on page 1, following line 4, by inserting:

"WHEREAS, Kansas is experiencing unprecedented economic growth. By the year 2030, Kansas will add 54,000 new jobs, 80% of which will require a bachelor's degree or higher. At the same time, the state is at a crucial moment when a comprehensive approach to equipping Kansas educators with training in the science of reading, structured literacy and literacy screening and assessment tools is essential; and

WHEREAS, It is imperative that we leverage our strengths and ensure that we lead the nation in producing highly literate talent to lead our communities and state forward;

and

WHEREAS, Making literacy a priority is without a doubt one of the most important and impactful investments that we can make to help families, support businesses and continue to advance economic prosperity for all Kansans.

Now, therefore:";

And your committee on conference recommends the adoption of this report.

ADAM THOMAS

SUSAN ESTES

*Conferees on part of House*

MOLLY BAUMGARDNER

RENEE ERICKSON

DINAH SYKES

*Conferees on part of Senate*

On motion of Rep. Estes, the conference committee report on **SB 438** was adopted.

On roll call, the vote was: Yeas 98; Nays 22; Present but not voting: 0; Absent or not voting: 5.

Yeas: Amyx, Anderson, Ballard, Bergkamp, Bergquist, Blew, Blex, Borjon, Bryce, Buehler, Butler, Carlin, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Hill, Hoffman, Hoheisel, Howell, Howerton, Hoye, Humphries, T. Johnson, Kessler, Landwehr, Lewis, Mason, McDonald, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Osman, Ousley, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Robinson, Roth, Sanders, Schlingensiepen, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Younger.

Nays: Awerkamp, Barth, Bloom, Carmichael, Carr, Fairchild, Highberger, Hougland, Howe, Jacobs, Martinez, Maughan, McNorton, Ohaebosim, Oropeza, Rhiley, Ruiz, S., Sawyer, Clayton, Vaughn, Woodard, Xu.

Present but not voting: None.

Absent or not voting: Alcala, Garber, Houser, Poetter, Ruiz, L..

## CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 96** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee of the Whole amendments, as follows:

On page 2, in line 9, by striking "to" and inserting "of"; in line 19, by striking "to" and inserting "of"; in line 22, by striking "options"; in line 38, by striking "supervisions to" and inserting "supervision of";

On page 3, in line 3, by striking "facility" and inserting "child care center"; in line 5, after "secretary" by inserting "for the department of health and environment"; in line 27, by striking "the facility" and inserting "such child care center";

On page 4, in line 9, by striking "to" and inserting "of"; in line 11, by striking "license" and inserting "licensee"; in line 19, by striking "to" and inserting "of"; in line 22, by striking "options"; in line 38, by striking "supervisions to" and inserting "supervision of";

On page 5, in line 3, by striking "facility" and inserting "child care center"; in line 27, by striking "the facility" and inserting "such child care center";

On page 7, in line 5, after "submit" by inserting "to the secretary"; in line 6, by striking "to the secretary, who" and inserting ". The secretary"; in line 9, by striking "for" and inserting "simultaneously to"; also in line 9, by striking "at once"; in line 10, after "submit" by inserting "to the secretary"; in line 11, by striking all after "subject"; in line 12, by striking all before "shall" and inserting ". The secretary"; in line 23, by striking "July 1" and inserting "October 1"; in line 27, by striking "(a)";

On page 8, in line 36, by striking "(1)" and inserting "(a)"; also in line 36, by striking "2024" and inserting "2026"; in line 39, by striking "secretary" and inserting "executive director";

On page 9, in line 1, by striking "(A)" and inserting "(1)"; in line 2, after "submit" by inserting "to the executive director"; in line 3, by striking all after "subject"; in line 4, by striking all before "shall" and inserting ". The executive director"; in line 7, by striking "for" and inserting "simultaneously to"; also in line 7, by striking "at once"; in line 8, after "submit" by inserting "to the executive director"; in line 9, by striking all after "subject"; in line 10, by striking all before "shall" and inserting ". The executive director";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 11, in line 3, by striking "7" and inserting "5"; in line 13, by striking "7" and inserting "5"; in line 31, by striking "a" and inserting "any"; in line 34, by striking "9" and inserting "7"; in line 42, by striking "a" and inserting "any";

On page 12, in line 7, by striking "11" and inserting "9"; in line 15, after "secretary" by inserting "of health and environment"; in line 21, by striking "13" and inserting "11"; in line 43, after "by" by inserting "the";

On page 13, in line 34, by striking "15" and inserting "13";

On page 14, in line 4, before "executive" by inserting "the"; in line 8, by striking "secretary" and inserting "executive director"; in line 42, by striking "17" and inserting "15";

On page 15, in line 4, before "Kansas" by inserting "executive branch the"; in line 7, before "shall" by inserting "governor";

On page 16, in line 2, by striking "21" and inserting "19"; in line 6, by striking "19 through 23" and inserting "17 through 21"; in line 32, by striking "participate" and inserting "participating"; in line 33, by striking "access" and inserting "accessing";

On page 17, in line 7, by striking "towards" and inserting "toward";

On page 18, in line 16, by striking "amend"; also in line 16, after the comma by inserting "amend or"; in line 17, by striking "19 through 23" and inserting "17 through 21"; in line 32, by striking all after "The"; in line 33, by striking "the"; also in line 33, after "adopt" by inserting "rules and regulations or"; in line 34, by striking "person" and inserting "persons"; in line 37, by striking "of the Kansas office of early childhood"; in line 40, by striking "19 through 23" and inserting "17 through 21";

On page 19, in line 2, by striking "of the department"; in line 11, by striking "19

through 23" and inserting "17 through 21"; in line 13, by striking "and"; in line 14, after "collaboration" by inserting "; and

(5) the director of the Kansas children's cabinet";

Also on page 19, in line 21, by striking "and trust fund"; in line 37, by striking "is" and inserting "are";

On page 20, in line 16, by striking "21" and inserting "19"; in line 17, by striking the second "the"; in line 19, by striking "21" and inserting "19"; in line 34, by striking "21" and inserting "19"; in line 36, by striking "21" and inserting "19";

On page 21, in line 1, after "childhood" by inserting "a division that shall be"; also in line 1, after "the" by inserting "Kansas"; also in line 1, after "cabinet" by inserting "established under K.S.A. 38-1901, and amendments thereto"; in line 2, after "The" by inserting "Kansas"; in line 3, after the first "the" by inserting "Kansas"; in line 6, before "children's" by inserting "Kansas"; also in line 6, after "the" by inserting "director of the Kansas"; in line 7, by striking "as established pursuant to paragraph (1)"; in line 10, after "facility" by inserting "for children"; in line 32, by striking the comma after "15" and inserting "and"; also in line 32, by striking all after "17"; in line 33, by striking "47" and inserting "45";

On page 22, in line 3, before "children" by inserting "for"; in line 10, after "(6)" by inserting "(A)"; following line 14, by inserting:

"(B) "Day care facility" does not include an individual who provides care for less than 35 hours per week to four or fewer children, not more than two of whom may be infants, who are not related to the individual by blood, marriage or legal adoption.";

Also on page 22, in line 16, after "not" by inserting "yet"; in line 34, by striking all after "(13)"; by striking all in line 35; in line 36, by striking "(14)"; also in line 36, by striking "that" and inserting "who"; in line 39, by striking "(15)" and inserting "(b)";

On page 23, in line 4, after "premises" by inserting a comma; in line 20, by striking "in accordance"; in line 28, by striking "center or"; in line 29, by striking "to" and inserting "for"; in line 30, by striking "center or"; in line 36, by striking "center or"; in line 39, after "effect" by inserting a comma;

On page 24, in line 4, after "families" by inserting a comma; in line 6, by striking the comma; in line 41, by striking all before the period;

On page 25, in line 1, after "or" by inserting "an amount"; in line 6, by striking "exceeding" and inserting "to exceed"; in line 42, by striking "center or";

On page 26, in line 34, by striking "other"; also in line 34, after "children" by inserting "other"; in line 36, after "care" by inserting "facility";

On page 28, in line 22, by striking "secretary" and inserting "executive director"; also in line 22, by striking "services"; in line 23, by striking all after "act"; in line 24, by striking all before the comma and inserting "and who holds a certificate issued pursuant to subsection (c)"; in line 25, by striking "thereto, in" and inserting "to"; also in line 25, by striking "to"; in line 26, after the comma by inserting "to"; in line 28, after the first "and" by inserting "to"; in line 32, after the first "child" by inserting a comma; also in line 32, after the second "child" by inserting a comma; in line 39, after the period by inserting "Every 12 months, "; in line 41, by striking "every 12 months";

On page 29, in line 25, by striking "who" and inserting "that"; in line 27, after "conviction" by inserting a comma; in line 33, by striking "28" and inserting "31"; in line 35, by striking "home" and inserting "day care facility";

On page 31, in line 12, after "from" by inserting "the"; in line 18, by striking the

second "the" and inserting "such";

On page 32, in line 3, after "of" by inserting "this section,"; in line 4, by striking "25, 30 and this section" and inserting "23 and 28"; in line 24, by striking "department" and inserting "executive director"; in line 42, by striking "department" and inserting "Kansas office of early childhood";

On page 33, in line 7, by striking "that"; in line 11, by striking "or home's"; in line 12, by striking "home" and inserting "facility"; in line 32, by striking all before the first comma and inserting "22 through 34"; in line 39, by striking "violating" and inserting "violation";

On page 34, in line 6, by striking "36" and inserting "34"; in line 9, by striking "43(b)" and inserting "41(b)"; in line 13, by striking all before the first comma and inserting "22 through 34"; in line 26, after "prohibits" by inserting "the"; in line 32, by striking "28" and inserting "31";

On page 35, in line 11, after "act" by inserting a comma; in line 22, after "act" by inserting a comma; in line 25, by striking "which" and inserting "that"; in line 41, after "kindergarten" by inserting a comma; in line 43, by striking "out of school" and inserting "out-of-school";

On page 36, in line 15, by striking "youth-out-of-school" and inserting "youth out-of-school"; in line 19, after the first "youth" by inserting "who are of"; in line 20, by striking all before "time" and inserting "youth out-of-school"; in line 26, by striking "out of school" and inserting "out-of-school"; also in line 26, by striking the comma; in line 27, by striking the comma;

On page 37, in line 16, before "in" by inserting "is"; in line 23, by striking "25" and inserting "23"; in line 43, by striking "which" and inserting "that";

On page 38, in line 3, by striking ", and amendments thereto,"; in line 7, by striking "which" and inserting "that"; in line 14, by striking "30" and inserting "28"; in line 24, after "agency" by inserting a comma; in line 29, by striking "30" and inserting "28"; in line 31, by striking "30" and inserting "28"; in line 40, by striking "that";

On page 39, in line 6, by striking "childcare" and inserting "child care"; in line 11, by striking "30(b)(3)" and inserting "28(b)(3)"; in line 24, by striking all after "with"; in line 25, by striking "5" and inserting "section 21"; in line 26, by striking "17" and inserting "18"; in line 41, by striking "three" and inserting "five"; also in line 41, after "public" by inserting "appointed by the governor"; in line 42, by striking all after "families"; in line 43, by striking all before the second comma and inserting "and who";

On page 40, in line 6, by striking all after "(J)"; by striking all in line 7; in line 8, by striking "(K)"; also in line 8, after "the" by inserting "majority leader of the"; in line 9, by striking "majority leader"; in line 14, by striking "vice"; in line 15, by striking "president" and inserting "majority leader"; in line 18, by striking all after "by"; in line 19, by striking all before "shall" and inserting "subparagraphs (1)(A) through (1)(G)"; in line 21, by striking all after "(1)"; by striking all in lines 22 through 24; in line 25, by striking all before "The"; in line 28, by striking "throughout such member's current term of office and";

On page 41, in line 12, by striking "two" and inserting "three"; in line 27, by striking "which" and inserting "that"; in line 33, by striking the second "that" and inserting "the"; in line 37, by striking "which" and inserting "that";

On page 42, in line 4, by striking "which" and inserting "that"; in line 30, by striking "and"; in line 35, by striking "; and"; by striking all in lines 36 and 37; in line 38, by

striking all before the period; in line 40, by striking the first comma;

On page 43, in line 2, by striking all before "except" and inserting "Kansas office of early childhood,";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 44, in line 23, after "fund" by inserting a comma;

On page 51, in line 39, after "of" by inserting "the Kansas office of";

On page 52, in line 11, by striking "(21)" and inserting "(22)";

On page 53, in line 25, after "(e)" by inserting "(1)"; in line 26, by striking "(1)" and inserting "(A)"; following line 41, by inserting:

"(2) "Child care facility" does not include an individual who provides care for less than 35 hours per week to four or fewer children, not more than two of whom may be infants, who are not related to the individual by blood, marriage or legal adoption.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 54, in line 14, after "(i)" by inserting "(1)"; in line 17, after the second period by inserting:

"(2)";

Also on page 54, in line 18, after "include" by inserting ":

(A)";

Also on page 54, in line 18, after "program" by inserting " or

(B) an individual who provides care for less than 35 hours per week to four or fewer children, not more than two of whom may be infants, who are not related to the individual by blood, marriage or legal adoption";

Also on page 54, in line 22, after "not" by inserting "yet";

On page 55, in line 7, by striking all after "(r)"; by striking all in line 8; in line 9, by striking "(s)"; also in line 9, by striking "that" and inserting "who"; in line 13, by striking "51" and inserting "49"; in line 30, after "(d)" by inserting "(1)"; in line 31, by striking "(1)" and inserting "(A)";

On page 56, following line 3, by inserting:

"(2) "Child care facility" does not include an individual who provides care for less than 35 hours per week to four or fewer children, not more than two of whom may be infants, who are not related to the individual by blood, marriage or legal adoption.";

Also on page 56, in line 26, after "not" by inserting "yet";

On page 57, in line 5, by striking all after "(m)"; by striking all in line 6; in line 7, by striking "(n)"; also in line 7, by striking "that" and inserting "who";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 60, in line 15, after "all" by inserting "children";

On page 62, in line 4, by striking "55" and inserting "53"; in line 13, after "all" by inserting "children"; in line 16, by striking "day" and inserting "child";

On page 64, in line 4, after "inspection" by inserting a comma; in line 6, by striking "inspection services" and inserting "inspections"; by striking all in line 7; in line 8, by striking all before the comma and inserting "and who holds a certificate issued pursuant to subsection (c)"; also in line 8, by striking "thereto in" and inserting "to"; in line 9, by striking "to"; also in line 9, by striking "shall" and inserting "to"; in line 10, by striking "which" and inserting "that"; in line 11, by striking the first "shall" and inserting "to"; in

line 15, after the first "child" by inserting a comma; also in line 15, after the second "child" by inserting a comma; in line 25, after the period by inserting "Every 12 months, "; in line 27, by striking all after "care"; in line 28, by striking "months"; in line 39, by striking "for qualifications" and inserting "to qualify";

On page 66, in line 17, after "from" by inserting "the"; in line 23, by striking the second "the" and inserting "such";

On page 67, in line 39, by striking all after "regulations"; in line 40, by striking all before "to";

On page 69, in line 40, by striking all before the period and inserting "secretary";

On page 70, in line 17, after "meet" by inserting "the"; in line 19, after the first "youth" by inserting "who are of"; in line 28, by striking the first comma; also in line 28, by striking the second comma; also in line 28, by striking the third comma;

On page 71, in line 4, by striking "which" and inserting "that"; in line 24, by striking "which" and inserting "that"; following line 29, by inserting:

"Sec. 59. On and after July 1, 2026, K.S.A. 72-4161 is hereby amended to read as follows: 72-4161. As used in this act:

(a) "Board" means the board of education of any school district.

(b) "School district" means any public school district organized and operating under the laws of this state.

(c) "Parent education program" means a program developed and operated by a board for the purpose of providing expectant parents and parents of infants or toddlers or both with information, advice, assistance, resource materials, guidance and learning experiences regarding such measures as parenting skills and the various styles of parenting, the processes and principles of growth and development of children, home learning activities designed for infants and toddlers, techniques emphasizing a positive approach to discipline, effective methods of communicating and interacting with children so as to foster the development of self-esteem, strategies for structuring behavioral limits and increasing mutual positive regard, and other elements of effective parenting that are conducive to the structuring of a home environment in which children are encouraged to be successful and productive learners.

(d) "Infant" and "toddler" means any child under the age of eligibility for school attendance.

(e) ~~"State board" means the state board of education"~~"Executive director" means the executive director of the Kansas office of early childhood.";

Also on page 71, in line 39, by striking "which" and inserting "that";

On page 72, in line 3, by striking all after "director"; in line 4, by striking "childhood"; in line 6, by striking all after "director"; in line 7, by striking "childhood"; in line 9, by striking the second "of"; in line 10, by striking all before the second "of"; in line 14, by striking all after "director"; in line 15, by striking "childhood"; in line 18, by striking all before "shall" and inserting "executive director"; in line 30, by striking "which" and inserting "that"; in line 35, by striking the second "of"; in line 36, by striking all before "shall";

On page 73, in line 20, by striking all after "director"; in line 21, by striking "childhood"; in line 25, after "amount" by inserting "that"; in line 26, by striking all after "director"; in line 32, by striking all before "in"; in line 37, by striking the comma; in line 39, by striking "which" and inserting "that";

On page 74, in line 4, by striking "50%" and inserting "100%"; in line 22, by striking

all after the second comma; in line 24, by striking "51" and inserting "49"; also in line 24, by striking "55" and inserting "53"; in line 25, after the first comma by inserting "72-4161,";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking the second "child" and inserting "day"; in line 2, by striking "day" and inserting "child"; also in line 2, by striking all after the semicolon; in line 3, by striking all before "reducing"; in line 10, by striking "program" and inserting "programs"; in line 11, before "child" by inserting "the"; also in line 11, after "subsidy" by inserting "program"; also in line 11, after the semicolon by inserting "creating the day care facilities and child care resource and referral agencies licensing fee fund and the day care criminal background and fingerprinting fund;"; in line 12, by striking all after the semicolon; in line 13, by striking all before "increasing"; in line 18, by striking all after the second comma; in line 19, by striking "51" and inserting "49"; in line 20, by striking "55" and inserting "53"; in line 21, after "65-531," by inserting "72-4161,";

And your committee on conference recommends the adoption of this report.

SEAN TARWATER  
TORI MARIE BLEW  
JASON PROBST

*Conferees on part of House*

RENEE ERICKSON  
BRENDA DIETRICH  
USHA REDDI

*Conferees on part of Senate*

On motion of Rep. Blew, the conference committee report on **H Sub for H Sub for SB 96** was adopted.

On roll call, the vote was: Yeas 110; Nays 10; Present but not voting: 0; Absent or not voting: 5.

Yeas: Amyx, Anderson, Averkamp, Ballard, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Eplee, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Highberger, Hill, Hoffman, Hoheisel, Houglan, Howe, Howell, Howerton, Hoye, Humphries, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, McDonald, McNorton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Robinson, Roth, Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu.

Nays: Barth, Ellis, Helgerson, Jacobs, Maughan, Melton, Rhiley, Schmoie, Underhill, Younger.

Present but not voting: None.

Absent or not voting: Alcalá, Garber, Houser, Poetter, Ruiz, L..

**CONFERENCE COMMITTEE REPORT**

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2532** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, by striking all in lines 7 through 35;

By striking all on page 2;

On page 3, by striking all in lines 1 through 38; following line 38, by inserting:

"Section 1. K.S.A. 2023 Supp. 74-8823 is hereby amended to read as follows: 74-8823. (a) There is hereby imposed a tax on the gross sum wagered by the parimutuel method as follows:

(1) Of the total daily takeout from parimutuel pools for live horse races conducted in this state, a tax at the rate of  $\frac{3}{18}$ ;

(2) except as provided by subsection (a)(3), for live greyhound races conducted in this state at a racetrack facility for the racing of only greyhounds:

(A) During the first four years when racing with parimutuel wagering is conducted at such facility, a tax at the rate of  $\frac{3}{18}$  of the total daily takeout from parimutuel pools for live greyhound races; and

(B) thereafter, from parimutuel pools for each live greyhound performance, a tax at the rate of  $\frac{3}{18}$  of the first \$400,000 wagered,  $\frac{4}{18}$  of the next \$200,000 wagered and  $\frac{5}{18}$  of any amounts wagered exceeding \$600,000;

(3) for live greyhound races conducted in this state at a dual racetrack facility or at a racetrack facility owned by a licensee whose license authorizes the construction of a dual racetrack facility:

(A) During the first seven years when racing with parimutuel wagering is conducted at such facility, a tax at the rate of  $\frac{3}{18}$  of the total daily takeout from parimutuel pools for live greyhound races; and

(B) thereafter, from parimutuel pools for each live greyhound performance, a tax at the rate of  $\frac{3}{18}$  of the first \$600,000 wagered,  $\frac{4}{18}$  of the next \$200,000 wagered and  $\frac{5}{18}$  of any amounts wagered exceeding \$800,000;

(4) of the total daily takeout from amounts wagered in this jurisdiction on simulcast races displayed in this state, a tax at the rate of  $\frac{3}{18}$ ; and

(5) of the total amount wagered on historical horse races, a tax at the rate of 3%.

(b) The tax imposed by this section shall be no less than 3% nor more than 6% of the total money wagered each day at a racetrack facility.

(c) The tax imposed by this section shall be remitted to the commission by each organization licensee by the next business day following the day on which the wagers took place. The commission shall remit any such tax moneys received to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each ~~such~~ remittance made pursuant to subsection (a)(1) through (4), the state treasurer shall deposit the entire amount in the state treasury to the credit of the state racing fund created by K.S.A. 74-8826, and amendments thereto, except as provided by K.S.A. 74-8838, and amendments thereto. Upon receipt of each remittance made pursuant to subsection (a)(5), the state treasurer shall deposit the entire amount in the state treasury and credit  $\frac{1}{3}$  of the amount to the Kansas horse breeding

development fund created by K.S.A. 74-8829, and amendments thereto, and  $\frac{2}{3}$  of the amount to the horse fair racing benefit fund created by K.S.A. 74-8838, and amendments thereto.

(d) The commission shall audit and verify that the amount of tax received from each organization licensee hereunder is correct.

(e) Nothing in this section shall be construed to impose any tax on amounts wagered on electronic gaming machine games operated pursuant to the Kansas expanded lottery act.

Sec. 2. K.S.A. 2023 Supp. 74-8823 is hereby repealed.";

Also on page 3, in line 40, by striking "Kansas register" and inserting "statute book"; And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in line 2; in line 3, by striking "requirements" and inserting "gaming; relating to parimutuel racing; concerning distribution of the tax on amounts wagered on historic horse races"; also in line 3, by striking "12-2620, 44-584 and 44-590" and inserting "2023 Supp. 74-8823"; in line 4, by striking "sections" and inserting "section";

And your committee on conference recommends the adoption of this report.

MIKE THOMPSON  
RICK KLOOS  
OLETHA FAUST-GOUDEAU

*Conferees on part of Senate*

WILL CARPENTER  
TOM KESSLER  
JO ELLA HOYE

*Conferees on part of House*

On motion of Rep. Carpenter, W., the conference committee report on **HB 2532** was adopted.

On roll call, the vote was: Yeas 88; Nays 32; Present but not voting: 0; Absent or not voting: 5.

Yeas: Anderson, Barth, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, B. Carpenter, W. Carpenter, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Dodson, M., Droge, Ellis, Eplee, Essex, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Hawkins, Hill, Hoffman, Hoheisel, Howe, Hoye, T. Johnson, Kessler, Lewis, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Murphy, Neely, Neighbor, Osman, Owens, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Robinson, Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Wasinger, Waymaster, White, Williams, K., Williams, L., Winn, Woodard, Younger.

Nays: Amyx, Awerkamp, Ballard, Bergkamp, Bergquist, Carlin, Carmichael, Carr, Delperdang, Estes, Haswood, Helgerson, Highberger, Hougland, Howell, Howerton, Humphries, Jacobs, Landwehr, Martinez, Moser, Ohaebosim, Oropeza, Ousley, Penn, Rhiley, Roth, Ruiz, S., Vaughn, Waggoner, Weigel, Xu.

Present but not voting: None.

Absent or not voting: Alcalá, Garber, Houser, Poetter, Ruiz, L..

## CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2787** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, following line 11, by inserting:

"New Section 1. (a) All matters relating to the insolvency or impairment of any member insurer placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency before the effective date, or for which the association otherwise exercises its powers and duties under K.S.A. 40-3008, and amendments thereto, before July 1, 2024, including past, present and future assessments and credits, shall be governed by the provisions of this act that were in effect before July 1, 2024.

(b) All matters relating to the insolvency or impairment of any member insurer placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency on or after the effective date of this section, or for which the association otherwise exercises its powers and duties under K.S.A. 40-3008, and amendments thereto, on or after July 1, 2024, shall be governed by the provisions of the act in effect on the date such actions are officially taken.";

On page 6, following line 42, by inserting:

"Sec. 6. K.S.A. 40-3002 is hereby amended to read as follows: 40-3002. (a) The purpose of this act is to protect, subject to certain limitations, the persons specified in ~~subsection (a) of~~ K.S.A. 40-3003, and amendments thereto, against failure in the performance of contractual obligations, under life ~~and~~ health ~~insurance policies~~ and annuity policies, plans and contracts specified in ~~subsection (b) of~~ K.S.A. 40-3003, and amendments thereto, because of the impairment or insolvency of the member insurer that issued the policies or contracts.

(b) To provide this protection, an association of member insurers is created to pay benefits and to continue coverages as limited herein, and members of the association are subject to assessment to provide funds to carry out the purpose of this act.

Sec. 7. K.S.A. 40-3003 is hereby amended to read as follows: 40-3003. (a) This act shall provide coverage; for the policies, plans and contracts specified in subsection (b), for:

(1) Persons who, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, are the beneficiaries, assignees, payees or providers of the persons covered under paragraph (2); and

(2) persons who are ~~owners~~ policyholders or contract holders of or certificate holders or enrollees under such policies or contracts other than structured settlement annuities, and who are:

(A) ~~Are~~ Residents;

(B) ~~are~~ not residents, but only with respect to an annuity contract awarded pursuant to K.S.A. 60-3407 or 60-3409, and amendments thereto, an annuity contract for future economic loss procured pursuant to a settlement agreement in a medical malpractice liability action, as defined by K.S.A. 60-3401, and amendments thereto, or fixed-return

accounts of the Kansas public employees deferred compensation plan under K.S.A. 74-49b08 through 74-49b14, and amendments thereto; or

(C) ~~are~~ not residents, but only under all of the following conditions:

(i) The member insurers ~~which that~~ issued such policies or contracts are domiciled in this state;

(ii) the states in which such persons reside have one or more associations similar to the association created by this act; and

(iii) the persons are not eligible for coverage by an association in any other state due to the fact that the insurer or health maintenance organization was not licensed in the state at the time specified in the state's guaranty association law.

(3) (A) Paragraphs (1) and (2) ~~of this subsection~~ shall not apply to structured settlement annuities.

(B) Except as provided in paragraphs (4) and (5) ~~of this subsection~~, this act shall provide coverage to a person who is a payee under a structured settlement annuity, or beneficiary of a payee if the payee is deceased, if the payee:

(i) (a) Is a resident, regardless of where the contract holder resides; or

(b) is not a resident, but only under both of the following conditions:

(1) The contract holder of the structured settlement annuity is a resident; or

(2) the contract holder of the structured settlement annuity is not a resident, but:

(A) The insurer that issued the structured settlement annuity is domiciled in this state; and

(B) the state in which the contract holder resides has an association similar to the association created by this act; and

(ii) neither the payee or beneficiary nor the contract holder is eligible for coverage by the association of the state in which the payee or contract holder resides.

(4) This act shall not provide coverage to a person who:

(A) Is a payee or beneficiary of a contract holder resident of this state, if the payee or beneficiary is afforded any coverage by the association of another state; or

(B) acquires rights to receive payments through a structured settlement factoring transaction as defined in 26 U.S.C. 5891(c)(3)(A), regardless of whether the transaction occurred before or after such section became effective.

(5) This act is intended to provide coverage to a person who is a resident of this state and, in special circumstances, to a nonresident. In order to avoid duplicate coverage, if a person who would otherwise receive coverage under this act is provided coverage under the laws of any other state, the person shall not be provided coverage under this act. In determining the application of the provisions of this paragraph in situations where a person could be covered by the association of more than one state, whether as a policyholder, contract holder, payee, enrollee, beneficiary or assignee, this act shall be construed in conjunction with other state laws to result in coverage by only one association.

(b)(1) This act shall provide coverage to the persons specified in subsection (a) for policies or contracts of direct, nongroup life insurance, health insurance or annuity policies or contracts, annuities and supplemental contracts or unallocated annuity contracts covering individuals participating in a governmental deferred compensation plan established under section 457 of the U.S. internal revenue code pursuant to K.S.A. 74-49b08 through 74-49b14, and amendments thereto, whether or not a resident, or the beneficiaries of each such individual if deceased, and for certificates under direct group

policies and contracts issued by member insurers, except as limited by this act.

(2) As used in this act, health insurer includes health maintenance organization subscriber contracts and certificates.

Sec. 8. K.S.A. 40-3005 is hereby amended to read as follows: 40-3005. As used in this act:

(a) "Account" means ~~either any~~ of the three accounts created under K.S.A. 40-3006, and amendments thereto;

(b) "association" means the Kansas life and health insurance guaranty association created under K.S.A. 40-3006, and amendments thereto;

(c) "commissioner" means the commissioner of insurance of this state;

(d) "contractual obligation" means any obligation of a policy or contract or certificate under a group policy or contract, or portion thereof, for which coverage is provided under K.S.A. 40-3003, and amendments thereto;

(e) "covered contract" or "covered policy" means any policy or contract within the scope of this act for which coverage is provided under K.S.A. 40-3003, and amendments thereto;

(f) "extra-contractual claims" shall include, for example, claims relating to bad faith in the payment of claims, punitive or exemplary damages or attorney fees and costs;

(g) "health benefit plan" means any hospital or medical expense policy or certificate, or health maintenance organization subscriber contract or any other similar health contract. "Health benefit plan" does not include:

(1) Accident only insurance;

(2) credit insurance;

(3) dental only insurance;

(4) vision only insurance;

(5) medicare supplement insurance;

(6) benefits for long-term care, home healthcare, community-based care or any combination thereof;

(7) disability income insurance;

(8) coverage for on-site medical clinics; and

(9) specified disease, hospital confinement indemnity or limited benefit health insurance if the types of coverage do not provide coordination of benefits and are provided under separate policies or certificates;

(h) "impaired insurer" means a member insurer which, that, after the effective date of this act, is not an insolvent insurer, and is placed under an order of rehabilitation or conservation by a court of competent jurisdiction;

~~(g)~~(i) "insolvent insurer" means a member insurer which, that, after the effective date of this act, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency;

~~(h)~~(j) "member insurer" means any insurer or health maintenance organization licensed or holding a certificate of authority to transact in this state any kind of insurance or health maintenance organization business for which coverage is provided under K.S.A. 40-3003, and amendments thereto, and includes any insurer or health maintenance organization whose license or certificate of authority in this state may have been suspended, revoked, nonrenewed or voluntarily withdrawn, but does not include:

(1) A hospital or medical service organization regardless of whether such hospital or medical service organization is organized for profit or not-for-profit;

(2) ~~a health maintenance organization;~~  
~~(3) a fraternal benefit society;~~  
~~(4)(3) a mandatory state pooling plan;~~  
~~(5)(4) a mutual assessment company or any entity that operates on an assessment basis;~~

~~(6)(5) an insurance exchange, except a reciprocal or interinsurance exchange governed by the provisions of article 16 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto; or~~

(6) an organization that has a certificate or license limited to the issuance of charitable gift annuities; or

(7) any entity similar to any of the organizations listed in paragraphs (1) through ~~(6) inclusive;~~

~~(j)(k)~~ "Moody's corporate bond yield average" means the monthly average corporates as published by Moody's investors service, inc., or any successor thereto;

~~(j)(l)~~ "person" means any individual, corporation, partnership, association, voluntary organization or provider;

~~(k)(m)~~ "policyholder" and "contract holder" means the person who is identified as the legal owner under the terms of the policy or contract or who is otherwise vested with legal title to the policy or contract through a valid assignment completed in accordance with the terms of the policy or contract and properly recorded as the owner on the books of the member insurer. The terms "policyholder" and "contract holder" do not include persons with a mere beneficial interest in a policy or contract;

~~(h)(n)~~ "provider" means a person who is entitled to receive compensation for providing medical services to an insured or enrollee covered under any health insurance or health maintenance organization contract, certificate or policy issued by a member insurer, regardless of whether the provider is obligated by statute or by agreement with the member insurer to hold any insured or enrollee covered by any health insurance or health maintenance organization contract, certificate or policy harmless from liability for services;

~~(m)(o)~~ "premiums" means amounts received on covered policies or contracts less premiums, considerations and deposits returned thereon, and less dividends and experience credits thereon. Premiums does not include any amounts received for any policies or contracts or for the portions of any policies or contracts for which coverage is not provided under ~~subsection (b) of K.S.A. 40-3003, and amendments thereto, except that assessable premiums shall not be reduced on accounts for~~ ~~subsection (n)(3) of K.S.A. 40-3008, and amendments thereto, relating to interest limitations and~~ ~~subsection (o)(2) of K.S.A. 40-3008, and amendments thereto, relating to limitations with respect to any one life and any one~~ policyholder or contract holder. Premiums shall not include:

(1) Any premiums on any unallocated annuity contract; or  
 (2) any premiums in excess of \$5,000,000 with respect to multiple nongroup policies of life insurance owned by one policyholder or contract holder, regardless of the number of policies or contracts held by the policyholder or contract holder and regardless of whether:

(A) The policyholder is an individual, firm, corporation or other person; and

(B) the persons insured are officers, managers, employees or other persons;

~~(n)(p)~~ "resident" means any person who resides in this state at the time a member

insurer is determined by court order to be an impaired or insolvent insurer and to whom a contractual obligation is owed. A person may be a resident of only one state, which, in the case of a person other than a natural person, shall be its principal place of business. Citizens of the United States that are either residents of foreign countries or residents of United States possessions, territories or protectorates that do not have an association similar to the association created by this act, shall be deemed residents of the state of domicile of the member insurer that issued the policies or contracts;

~~(q)~~(q) "structured settlement annuity" means an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injury suffered by the plaintiff or other claimant, but excludes an annuity policy or contract awarded pursuant to K.S.A. 60-3407 or 60-3409, and amendments thereto;

~~(r)~~(r) "supplemental contract" means any written agreement entered into for the distribution of proceeds under a life, health or annuity policy or contract; and

~~(s)~~(s) "unallocated annuity contract" means any annuity contract or group annuity certificate ~~which that~~ is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under such contract or certificate.

Sec. 9. K.S.A. 40-3006 is hereby amended to read as follows: 40-3006. (a) There is hereby created a nonprofit legal entity to be known as the Kansas life and health insurance guaranty association. All member insurers shall be and remain members of the association as a condition of their license or authority to transact insurance or health maintenance organization business in this state. The association shall perform its functions under the plan of operation established and approved under K.S.A. 40-3010, and amendments thereto, and shall exercise its powers through a board of directors established under K.S.A. 40-3007, and amendments thereto. For purposes of administration and assessment, the association shall maintain three accounts:

- (1) ~~The Health insurance~~ account;
- (2) ~~the life insurance~~ account; and
- (3) ~~the annuity~~ account, excluding unallocated annuities.

(b) The association shall come under the immediate supervision of the commissioner and shall be subject to the applicable provisions of the insurance laws of this state. Meetings or records of the association may be opened upon majority vote of the board of directors of the association.

Sec. 10. K.S.A. 40-3007 is hereby amended to read as follows: 40-3007. (a) The board of directors of the association shall consist of not ~~less~~ fewer than five nor more than nine member insurers serving terms as established in the plan of operation. The members of the board shall be selected by member insurers subject to the approval of the commissioner. Vacancies on the board shall be filled for the remaining periods of the terms by a majority vote of the remaining board members, subject to the approval of the commissioner. ~~To select the initial board of directors, and initially organize the association, the commissioner shall give notice to all member insurers of the time and place of the organizational meeting. In determining voting rights at the organizational meeting each member insurer shall be entitled to one vote in person or by proxy. If the board of directors is not selected within 60 days after notice of the organizational meeting, the commissioner may appoint the initial members.~~

- (b) In approving selections or in appointing members to the board, the

commissioner shall consider, among other things, whether all member insurers are fairly represented.

(c) Members of the board may be reimbursed from the assets of the association for expenses incurred by them as members of the board of directors but members of the board shall not otherwise be compensated by the association for their services.

(d) The terms of each member appointed and serving on the board of directors as of July 1, 2024, shall continue until the expiration of each member's current term. Upon expiration of each member's term, the commissioner shall decide whether to continue each member's position on the board or reduce the number of members of the board of directors in accordance with paragraph (e).

(e) On and after January 1, 2025, the board of directors shall consist of not fewer than five but not more than nine members appointed in accordance with this paragraph. Members of the board of directors shall be selected by member insurers subject to the approval of the commissioner. Each member of the board of directors shall be appointed for a term of three years, except that members shall be removable by the commissioner for inefficiency, neglect of duty or malfeasance.

Sec. 11. K.S.A. 40-3008 is hereby amended to read as follows: 40-3008. (a) If a member insurer is an impaired insurer, the association may, in its discretion and subject to any conditions imposed by the association that do not impair the contractual obligations of the impaired insurer and that are approved by the commissioner that:

(1) Guarantee, assume, reissue or reinsure, or cause to be guaranteed, assumed, reissued or reinsured, any or all of the policies or contracts of the impaired insurer; and

(2) provide such moneys, pledges, loans, notes, guarantees or other means as are proper to effectuate the provisions of paragraph (1) and assure payment of the contractual obligations of the impaired insurer pending action under paragraph (1).

(b) If a member insurer is an insolvent insurer, the association shall, in its discretion, either:

(1) (A) (i) Guarantee, assume, reissue or reinsure; or cause to be guaranteed, assumed or reinsured, the policies or contracts of the insolvent insurer; or

(ii) assure payment of the contractual obligations of the insolvent insurer; and

(B) provide such moneys, pledges, loans, notes, guarantees or other means as are reasonably necessary to discharge such duties; or

(2) with respect to ~~life and health insurance policies and annuities~~ policies and contracts, provide benefits and coverages in accordance with subsection (c).

(c) When proceeding under ~~paragraph (2) of~~ subsection (b)(2), the association shall:

(1) Assure payment of benefits for premiums identical to the premiums and benefits, ~~except for terms of conversion and renewability~~, that would have been payable under the policies or contracts of the insolvent insurer, for claims incurred:

(A) With respect to group policies and contracts, not later than the earlier of the next renewal date under such policies or contracts or 45 days, but in no event less than 30 days, after the date on which the association becomes obligated with respect to such policies and contracts;

(B) with respect to nongroup policies, contracts and annuities not later than the earlier of the next renewal date, if any, under such policies or contracts or one year, but in no event less than 30 days, from the date on which the association becomes obligated with respect to such policies or contracts;

(2) make diligent efforts to provide all known insureds, enrollees, annuitants or group policyholders or contract holders with respect to group policies and contracts, 30 days' notice of the termination of the benefits provided; and

(3) with respect to ~~nongroup life and health insurance policies and annuities policies and contracts covered by the association~~, make available to each known insured, enrollee or annuitant, or owner if other than the insured or annuitant, and with respect to an individual formerly an insured, enrollee, or an annuitant under a group policy or contract who is not eligible for replacement group coverage, make available substitute coverage on an individual basis in accordance with the provisions of paragraph (4), if the insureds, enrollees or annuitants had a right under law or the terminated policy, contract or annuity to convert coverage to individual coverage or to continue an individual policy, contract or annuity in force until a specified age or for a specified time, during which the insurer or health maintenance organization had no right unilaterally to make changes in any provision of the policy, contract or annuity or had a right only to make changes in premium by class;

(4) (A) in providing the substitute coverage required under paragraph (3), the association may offer either to reissue the terminated coverage or to issue an alternative policy or contract at actuarially justified rates;

(B) alternative or reissued policies or contracts shall be offered without requiring evidence of insurability, and shall not provide for any waiting period or exclusion that would not have applied under the terminated policy or contract; and

(C) the association may reinsure any alternative or reissued policy or contract;

(5) (A) alternative policies or contracts adopted by the association shall be subject to the approval of the commissioner. The association may adopt alternative policies or contracts of various types for future issuance without regard to any particular impairment or insolvency;

(B) alternative policies or contracts shall contain at least the minimum statutory provisions required in this state and provide benefits that shall not be unreasonable in relation to the premiums charged. The association shall set the premiums in accordance with a table of rates ~~which that~~ it shall adopt. The premiums shall reflect the amount of insurance or coverage to be provided and the age and class of risk of each insured, or enrollee but shall not reflect any changes in the health of the insured or enrollee after the original policy or contract was last underwritten;

(C) any alternative policy or contract issued by the association shall provide coverage of a type similar to that of the policy or contract issued by the impaired or insolvent insurer, as determined by the association;

(6) if the association elects to reissue the insured's terminated coverage at a premium rate different from that charged under the terminated policy or contract, the premium shall be actuarially justified and set by the association in accordance with the amount of insurance or coverage provided and the age and class of risk, subject to prior approval of the domiciliary insurance commissioner and the receivership court.

(d) The association's obligations with respect to coverage under any policy or contract of the impaired or insolvent insurer or under any reissued or alternative policy or contract shall cease on the date such coverage or policy or contract is replaced by another similar policy or contract by the policyholder or contract holder, the insured, the enrollee or the association.

(e) When proceeding under ~~paragraph (2) of subsection (b)(2)~~ with respect to any

policy or contract carrying guaranteed minimum interest rates, the association shall assure the payment or crediting of a rate of interest consistent with subsection ~~(n)(3)~~ (o)(3).

(f) Nonpayment of premiums within 31 days after the date required under the terms of any guaranteed, assumed, alternative or reissued policy or contract or substitute coverage shall terminate the association's obligations under such policy, contract or coverage under this act with respect to such policy, contract or coverage, except with respect to any claims incurred or any net cash surrender value ~~which that~~ may be due in accordance with the provisions of this act.

(g) Premiums due after entry of an order of liquidation of an insolvent insurer shall belong to and be payable at the direction of the association, and the association shall be liable for unearned premiums due to ~~policy or contract owners~~ policyholders or contract holders arising after the entry of such order.

(h) The protection provided by this act shall not apply where any guaranty protection is provided to residents of this state by the laws of the domiciliary state or jurisdiction of the impaired or insolvent insurer other than this state.

(i) In carrying out its duties under subsection (b), the association may, subject to approval by a court in this state:

(1) Impose permanent policy or contract liens in connection with any guarantee, assumption or reinsurance agreement, if the association finds that the amounts ~~which that~~ can be assessed under this act are less than the amounts needed to assure full and prompt performance of the association's duties under this act, or that the economic or financial conditions as they affect member insurers are sufficiently adverse to render the imposition of such permanent policy or contract liens to be in the public interest; and

(2) impose temporary moratoriums or liens on payments of cash values and policy loans, or any other right to withdraw funds held in conjunction with policies or contracts, in addition to any contractual provisions for deferral of cash or policy loan value. In addition, in the event of a temporary moratorium or moratorium charge imposed by the receivership court on payment of cash values or policy loans or on any other right to withdraw funds held in conjunction with policies or contracts, out of the assets of the impaired or insolvent insurer, the association may defer the payment of cash values, policy loans or other rights by the association for the period of the moratorium or moratorium charge imposed by the receivership court, except for claims covered by the association to be paid in accordance with a hardship procedure established by the liquidator or rehabilitator and approved by the receivership court.

(j) A deposit in this state, held pursuant to law or required by the commissioner for the benefit of creditors, including policyholders or contract holders, not turned over to the domiciliary liquidator upon the entry of a final order of liquidation or order approving a rehabilitation plan of a member insurer domiciled in this state or in a reciprocal state, pursuant to K.S.A. 40-222b, and amendments thereto, shall be promptly paid to the association. The association shall be entitled to retain a portion of any amount so paid equal to the percentage determined by dividing the aggregate amount of policyholders' or contract holders' claims related to that insolvency for which the association has provided statutory benefits by the aggregate amount of all policyholders' or contract holders' claims in this state related to that insolvency and shall remit to the domiciliary receiver the amount so paid to the association less the amount retained pursuant to this subsection. Any amount so paid to the association and

retained by such association shall be treated as a distribution of estate assets pursuant to applicable state receivership law dealing with early access disbursements.

(k) If the association fails to act within a reasonable period of time as provided in subsections (b) and (c), the commissioner shall have the powers and duties of the association under this act with respect to impaired or insolvent insurers.

~~(k)~~(l) The association may render assistance and advice to the commissioner, upon request, concerning rehabilitation, payment of claims, continuance of coverage or the performance of other contractual obligations of any impaired or insolvent insurer.

~~(h)~~(m) (1) The association shall have standing to appear or intervene before any court in this state with jurisdiction over:

(A) An impaired or insolvent insurer concerning that which the association is or may become obligated under this act; or

(B) any person or property against which the association may have rights through subrogation or otherwise.

(2) Such standing shall extend to all matters germane to the powers and duties of the association, including, but not limited to, proposals for reinsuring, reissuing or guaranteeing the covered policies of the impaired or insolvent insurer and the determination of the covered policies or contracts and contractual obligations.

(3) The association shall also have the right to appear or intervene before a court in another state with jurisdiction over an impaired or insolvent insurer for which the association is or may become obligated or with jurisdiction over ~~a third party~~ any person or property against whom the association may have rights through subrogation of the insurer's policyholders or otherwise.

~~(m)~~(n) (1) Any person receiving benefits under this act shall be deemed to have assigned the rights under and any cause of action relating to, the covered policy or contract to the association to the extent of the benefits received because of this act, whether the benefits are payments of or on account of contractual obligations, continuation of coverage or provision of substitute or alternative policies, contracts or coverages. The association may require an assignment to it of such rights and cause of action by any enrollee, payee, policy or contract owner, policyholder, contract holder, beneficiary, insured or annuitant as a condition precedent to the receipt of any right or benefits conferred by this act upon such person.

(2) The subrogation rights of the association under this subsection shall have the same priority against the assets of the impaired or insolvent insurer as that possessed by the person entitled to receive benefits under this act.

(3) In addition to paragraphs (1) and (2), the association shall have all common-law rights of subrogation and any other equitable or legal remedy ~~which that~~ which that would have been available to the impaired or insolvent insurer or ~~holder of a policy~~ policyholder or contract holder, beneficiary, enrollee or payee of a policy or contract with respect to such policy or contracts, including, without limitation, in the case of a structured settlement annuity, any rights of the owner, beneficiary or payee of the annuity, to the extent of benefits received pursuant to this act, against a person originally or by succession responsible for the losses arising from the personal injury relating to the annuity or payment therefor, excepting any such person responsible solely by reason of serving as an assignee regarding a qualified assignment pursuant to 26 U.S.C. § 130.

(4) If the preceding provisions of this subsection are invalid or ineffective with respect to any person or claim for any reason, the amount payable by the association

with respect to the related covered obligations shall be reduced by the amount realized by any other person with respect to the person or claim that is attributable to the policies or contracts, or portion thereof, covered by the association.

(5) If the association has provided benefits with respect to a covered obligation and a person recovers amounts as to which the association has rights as described in the preceding paragraphs of this subsection, then the person shall pay to the association the portion of the recovery attributable to the policies or contracts, or portion thereof, covered by the association.

~~(n)(o) The contractual obligations of the impaired or insolvent insurer for which the association becomes, or may become, liable shall be as great as but no greater than the contractual obligations of the impaired or insolvent insurer would have been in the absence of an impairment or insolvency unless such obligations are reduced as permitted by this act but~~Except for subsection (p), the association shall not provide coverage for:

(1) Any portion of a policy or contract not guaranteed by the member insurer, or under which the risk is borne by the ~~policy~~ policyholder or contract holder;

(2) any policy or contract of reinsurance, unless assumption certificates have been issued;

(3) any portion of a policy or contract to the extent that the rate of interest on which it is based, or the interest rate, crediting rate or similar factor determined by use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value:

(A) Averaged over the period of four years prior to the date on which the association becomes obligated with respect to such policy or contract, exceeds a rate of interest determined by subtracting two percentage points from Moody's corporate bond yield average averaged for that same four-year period or for such lesser period if the policy or contract was issued less than four years before the association became obligated; and

(B) on and after the date on which the association becomes obligated with respect to such policy or contract, exceeds the rate of interest determined by subtracting three percentage points from Moody's corporate bond yield average as most recently available;

(4) any plan or program of an employer, association or similar entity to provide life, health or annuity benefits to its employees or members to the extent that such plan or program is self-funded or uninsured, including, but not limited to, benefits payable by an employer, association or similar entity under:

(A) A multiple employer welfare arrangement as defined in ~~section 3 (40) of the employee retirement income security act of 1974 (29 U.S.C. § 1002(40))~~ 29 U.S.C. § 1144;

(B) a minimum premium group insurance plan;

(C) a stop-loss group insurance plan; or

(D) an administrative services only contract;

(5) any portion of a policy or contract to the extent that it provides dividends or experience rating credits, voting rights or provides that any fees or allowances be paid to any person, including the ~~policy~~ policyholder or contract holder, in connection with the service to or administration of such policy or contract;

(6) any policy or contract issued in this state by a member insurer at a time when it

was not licensed or did not have a certificate of authority to issue such policy or contract in this state;

(7) any unallocated annuity contract, except as provided in ~~subsection (b) of~~ K.S.A. 40-3003, and amendments thereto;

(8) a portion of a policy or contract to the extent that the assessments required by K.S.A. 40-3009, and amendments thereto, with respect to the policy or contract are preempted by federal or state law;

(9) an obligation that does not arise under the express written terms of the policy or contract issued by the member insurer to the enrollee, certificate holder, contract holder or policyholder, including, without limitation:

(A) Claims based on marketing materials;

(B) claims based on side letters, riders or other documents that were issued by the member insurer without meeting applicable policy or contract form filing or approval requirements;

(C) misrepresentations of or regarding policy or contract benefits;

(D) extra contractual claims; or

(E) a claim for penalties or consequential or incidental damages;

(10) a contractual agreement that establishes the member insurer's obligations to provide a book value accounting guaranty for defined contribution benefit plan participants by reference to a portfolio of assets that is owned by the benefit plan or its trustee, and, in each case, is not an affiliate of the member insurer;

(11) a policy or contract providing any hospital, medical, prescription drug or other health care healthcare benefits pursuant to part C or part D of subchapter XVIII, chapter 7 of title 42 of the United States code (commonly known as medicare part C & and D), or subchapter xix, chapter 7 of title 42 of the United States code, commonly known as medicaid, or any regulations issued pursuant thereto;~~or~~

~~(9)~~(12) (A) any portion of a policy or contract:

(i) To the extent it provides for interest or other changes in value to be determined by the use of an index or other external reference stated in the policy or contract; but which have not been credited to the policy or contract; or

(ii) as to which the ~~policy~~ policyholder or contract ~~owner's~~ holder's rights are subject to forfeiture, as of the date the member insurer becomes an impaired or insolvent insurer under this act, whichever is earlier.

(B) If a policy's or contract's interest or changes in value are credited less frequently than annually, then for purposes of determining the values that have been credited and ~~which~~ are not subject to forfeiture under this paragraph, the interest or change in value determined by using the procedures defined in the policy or contract shall be credited as if the contractual date of crediting interest or changing values was the date of impairment or insolvency, whichever is earlier, and shall not be subject to forfeiture; or

(13) structured settlement annuity benefits to which a payee or beneficiary has transferred such payee's or beneficiary's rights in a structured settlement factoring transaction, as defined in 26 U.S.C. § 5891(c)(3)(A), regardless of whether the transaction occurred before or after such section became effective.

(p) The exclusion from coverage reference in subsection (o)(3) shall not apply to any portion of a policy or contract, including a rider, that provides long-term care or any other health insurance benefits.

~~(q)~~(q) The benefits for which the association may become liable shall in no event exceed the lesser of:

(1) The contractual obligations for which the member insurer is liable or would have been liable if it were not an impaired or insolvent insurer; or

(2) with respect to any one life, regardless of the number of policies or contracts:  
(A) \$300,000 in life insurance death benefits, but not more than \$100,000 in net cash surrender and net cash withdrawal values for life insurance;

(B) ~~in~~for health insurance benefits:

(i) \$100,000 for coverages not defined as disability income insurance or ~~basic hospital, medical and surgical insurance or major medical insurance~~ health benefit plans or long-term care insurance including any net cash surrender and net cash withdrawal values;

(ii) \$300,000 for disability income insurance and \$300,000 for long-term care insurance;

(iii) \$500,000 ~~for basic hospital, medical and surgical insurance or major medical insurance~~ health benefit plans;

(C) \$250,000 in the present value of annuity benefits, including net cash surrender and net cash withdrawal values;

(D) with respect to each payee of a structured settlement annuity (or beneficiary or beneficiaries of the payee if deceased), \$250,000 in present value annuity benefits, in the aggregate, including net cash surrender and net cash withdrawal values;

(E) however, in no event shall the association be obligated to cover more than:

~~(i)~~(i) An aggregate of \$300,000 in benefits with respect to any one life as provided in ~~paragraphs subparagraphs~~ (A), (B), (C) and (D) ~~of this subsection~~ except with respect to benefits for ~~basic hospital, medical and surgical insurance and major medical insurance~~ health benefit plans under ~~(q)(2)(B)(iii) of this subsection~~, in which case the aggregate liability of the association shall not exceed \$500,000 with respect to any one individual; or

~~(ii)~~(ii) with respect to one ~~owner holder~~ owner holder of multiple nongroup policies or contracts of life insurance, whether the ~~policy owner policyholder or contract holder~~ is an individual, firm, corporation or other person; and whether the persons insured are officers, managers, employees or other persons, more than \$5,000,000 in benefits, regardless of the number of policies and contracts held by the ~~owner policyholder or contract holder~~;

(F) the limitations set forth in this paragraph are limitations on the benefits for which the association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer attributable to covered policies. The costs of the association's obligations under this act may be met by the use of assets attributable to covered policies or reimbursed to the association pursuant to its subrogation and assignment rights;

(G) the guaranty association's limits of liability with respect to the obligations of any impaired or insolvent insurer shall be the limits of liability in effect under this act on the date the guaranty association became liable for that impaired or insolvent insurer;

(H) for purposes of this act, benefits provided by a long-term care rider to a life insurance policy or annuity contract shall be considered the same type of benefits as the base life insurance policy or annuity contract to which it relates;

(l) in performing its obligations to provide coverage under this section, the association shall not be required to guarantee, assume, reinsure, reissue or perform, or cause to be guaranteed, assumed, reinsured, reissued or performed, the contractual obligations of the insolvent or impaired insurer under a covered policy or contract that do not materially affect the economic values or economic benefits of the covered policy or contract.

The provisions of subsection ~~(p)~~(q) shall not apply to annuity contracts for future economic loss procured pursuant to a judgment or settlement agreement in a medical malpractice liability action.

~~(p)~~(r) The association may:

(1) Enter into such contracts as are necessary or proper to carry out the provisions and purposes of this act;

(2) sue or be sued, including taking any legal actions necessary or proper to recover any unpaid assessments under K.S.A. 40-3009, and amendments thereto, and to settle claims or potential claims against it;

(3) borrow money to effect the purposes of this act. Any notes or other evidence of indebtedness of the association not in default shall be legal investments for domestic insurers and may be carried as admitted assets;

(4) employ or retain such persons as are necessary to handle the financial transactions of the association, and to perform such other functions as become necessary or proper under this act;

(5) take such legal action as may be necessary to avoid or recover payment of improper claims; or

(6) exercise, for the purposes of this act and to the extent approved by the commissioner, the powers of a domestic life ~~or insurer~~, health insurer or health maintenance organization, but in no case may the association issue ~~insurance~~ policies or ~~annuity~~ contracts other than those issued to perform its obligations under this act;

(7) organize itself as a corporation or in other legal form permitted by the laws of the state;

(8) request information from a person seeking coverage from the association in order to aid the association in determining its obligations under this act with respect to the person, and such person shall promptly comply with the request;

(9) in accordance with the terms and conditions of the policy or contract, file for actuarially justified rate or premium increases for any policy or contract for which it provides coverage under this act; and

(10) take other necessary or appropriate action to discharge its duties and obligations under this act or to exercise its powers under this act.

~~(q)~~(s) The association may join an organization of one or more other state associations of similar purposes to further the purposes and administer the powers and duties of the association.

~~(r)~~ The association shall pay any and all persons who, as a provider, may have claims as a result of a member insurer being found insolvent between March 1, 1999 and June 1, 1999.

(t) (1) (A) At any time within 180 days of the date of the order of liquidation, the association may elect to succeed to the rights and obligations of the ceding member insurer that relate to policies, contracts or annuities covered, in whole or in part, by the association, in each case under any one or more reinsurance contracts entered into by

the insolvent insurer and its reinsurers and selected by the association. Any such assumption shall be effective as of the date of the order of liquidation. The election shall be effected by the association or the national organization of life and health insurance guaranty associations (NOLHGA), on its behalf, sending written notice with return receipt requested to the affected reinsurers.

(B) To facilitate the earliest practicable decision about whether to assume any of the contracts of reinsurance, and in order to protect the financial position of the estate, the receiver and each reinsurer of the ceding member insurer shall make available upon request to the association or to NOLHGA on its behalf as soon as possible after commencement of formal delinquency proceedings:

(i) Copies of in-force contracts of reinsurance and all related files and records relevant to the determination of whether such contracts should be assumed; and

(ii) notices of any defaults under the reinsurance contracts or any known event or condition that with the passage of time could become a default under the reinsurance contracts.

(C) The following subparagraphs shall apply to reinsurance contracts so assumed by the association:

(i) The association shall be responsible for all unpaid premiums due under the reinsurance contracts for periods both before and after the date of the order of liquidation and shall be responsible for the performance of all other obligations to be performed after the date of the order of liquidation, in each case relating to policies, contracts or annuities covered, in whole or in part, by the association. The association may charge policies, contracts or annuities covered in part by the association, through reasonable allocation methods, the costs for reinsurance in excess of the obligations of the association and shall provide notice and an accounting of these charges to the liquidator:

(ii) the association shall be entitled to any amounts payable by the reinsurer under the reinsurance contracts with respect to losses or events that occur in periods after the date of the order of liquidation and that relate to policies, contracts or annuities covered, in whole or in part, by the association, provided that, upon receipt of any such amounts, the association shall be obliged to pay to the beneficiary under the policy, contract or annuity on account of which the amounts were paid a portion of the amount equal to the lesser of:

(a) The amount received by the association; and

(b) the excess of the amount received by the association over the amount equal to the benefits paid by the association on account of the policy, contract or annuity less the retention of the insurer applicable to the loss or event.

(iii) Within 30 days following the association's election, the "election date," the association and each reinsurer under contracts assumed by the association shall calculate the net balance due to or from the association under each reinsurance contract as of the election date with respect to policies, contracts or annuities covered, in whole or in part, by the association. Such calculation shall give full credit to all items paid by either the member insurer or its receiver or the reinsurer prior to the election date. The reinsurer shall pay the receiver any amounts due for losses or events prior to the date of the order of liquidation, subject to any set-off for premiums unpaid for periods prior to the date, and the association or reinsurer shall pay any remaining balance due the other, in each case within five days of the completion of the aforementioned calculation. Any

disputes over the amounts due to either the association or the reinsurer shall be resolved by arbitration pursuant to the terms of the affected reinsurance contracts or, if the contract contains no arbitration clause, as otherwise provided by law. If the receiver has received any amounts due the association pursuant to subparagraph (C)(ii), the receiver shall remit such amounts to the association as promptly as practicable.

(iv) If the association or receiver, on the association's behalf, within 60 days of the election date, pays the unpaid premiums due for periods both before and after the election date that relate to policies, contracts or annuities covered, in whole or in part, by the association, the reinsurer shall not be entitled to terminate the reinsurance contracts for failure to pay premiums insofar as the reinsurance contracts relate to policies, contracts or annuities covered, in whole or in part, by the association, and shall not be entitled to set off any unpaid amounts due under other contracts or unpaid amounts due from parties other than the association against amounts due the association.

(2) During the period from the date of the order of liquidation until the election date, or, if the election date does not occur, until 180 days after the date of the order of liquidation:

(A) (i) Neither the association nor the reinsurer shall have any rights or obligations under reinsurance contracts that the association has the right to assume under paragraph (1), whether for periods prior to or after the date of the order of liquidation; and

(ii) the reinsurer, the receiver and the association shall, to the extent practicable, provide each other data and records reasonably requested;

(B) provided that once the association has elected to assume a reinsurance contract, the parties' rights and obligations shall be governed by paragraph (1).

(3) If the association does not elect to assume a reinsurance contract by the election date pursuant to paragraph (1), the association shall have no rights or obligations, in each case for periods both before and after the date of the order of liquidation, with respect to the reinsurance contract.

(4) When policies, contracts or annuities, or covered obligations with respect thereto are transferred to an assuming insurer, reinsurance on the policies, contracts or annuities may also be transferred by the association, in the case of contracts assumed under subsection (t)(1), subject to the following:

(A) Unless the reinsurer and the assuming insurer agree otherwise, the reinsurance contract transferred shall not cover any new policies of insurance, contracts or annuities in addition to those transferred;

(B) the obligations described in subsection (t)(1) shall no longer apply with respect to matters arising after the effective date of the transfer; and

(C) notice shall be given in writing, with return receipt requested, by the transferring party to the affected reinsurer not less than 30 days prior to the effective date of the transfer.

(5) The provisions of this subsection shall supersede the provisions of any state law or any affected reinsurance contract that provides for or requires any payment of reinsurance proceeds, on account of losses or events that occur in periods after the date of the order of liquidation, to the receiver of the insolvent insurer or any other person. The receiver shall remain entitled to any amounts payable by the reinsurer under the reinsurance contracts with respect to losses or events that occur in periods prior to the date of the order of liquidation, subject to applicable setoff provisions.

(6) Except as otherwise provided in this subsection, nothing in this subsection shall alter or modify the terms and conditions of any reinsurance contract. Nothing in this section shall abrogate or limit any rights of any reinsurer to claim that such reinsurer is entitled to rescind a reinsurance contract. Nothing in this section shall give a policyholder, contract owner, enrollee, certificate holder or beneficiary an independent cause of action against a reinsurer that is not otherwise set forth in the reinsurance contract. Nothing in this section shall limit or affect the association's rights as a creditor of the estate against the assets of the estate. Nothing in this section shall apply to reinsurance agreements covering property or casualty risks.

(u) The board of directors of the association shall have discretion and may exercise reasonable business judgment to determine the means by which the association is to provide the benefits of this act in an economical and efficient manner.

(v) Where the association has arranged or offered to provide the benefits of this act to a covered person under a plan or arrangement that fulfills the association's obligations under this act, the person shall not be entitled to benefits from the association in addition to or other than those provided under the plan or arrangement.

(w) Venue in a suit against the association arising under this act shall be in Shawnee County. The association shall not be required to give an appeal bond in an appeal that relates to a cause of action arising under this act.

~~(s) Regarding covered policies for which the association becomes obligated after an entry of an order of liquidation, to the extent such contract provides coverage for losses occurring after the date of the order of liquidation, the association may elect to succeed to the rights of the insolvent insurer arising after the order of liquidation under any contract of reinsurance to which the insolvent insurer was a party. As a condition to making such election, the association must pay all unpaid premiums due under the contract for coverage relating to periods before and after the date on which the order of liquidation was entered.~~

~~(t)(x) In carrying out its duties in connection with guaranteeing, assuming, reissuing or reinsuring policies or contracts under subsections (a) or (b), subject to approval of the receivership court, the association may issue substitute coverage for a policy or contract that provides an interest rate, crediting rate or similar factor determined by use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value by issuing an alternative policy or contract in accordance with the following provisions:~~

~~(1) In lieu of the index or other external reference provided for in the original policy or contract, the alternative policy or contract provides for:~~

~~(i)(A) A fixed interest rate;~~

~~(ii)(B) payment of dividends with minimum guarantees; or~~

~~(iii)(C) a different method for calculating interest or changes in value.~~

~~(2) There is no requirement for evidence of insurability, waiting period or other exclusion that would not have applied under the replaced policy or contract; and~~

~~(3) the alternative policy or contract is substantially similar to the replaced policy or contract in all other material terms.~~

Sec. 12. K.S.A. 40-3009 is hereby amended to read as follows: 40-3009. (a) For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of directors shall assess the member insurers, separately for each account, at such time and for such amounts as the board finds necessary. Assessments

shall be due not less than 30 days after prior written notice to the member insurers and shall accrue interest at 15% per annum on and after the due date.

(b) There shall be two classes of assessments, as follows: (1) Class A assessments shall be made for the purpose of meeting administrative and legal costs and other expenses and examinations conducted under the authority of subsection (e) of K.S.A. 40-3012, and amendments thereto. Class A assessments may be made whether or not related to a particular impaired or insolvent insurer.

(2) Class B assessments shall be made to the extent necessary to carry out the powers and duties of the association under K.S.A. 40-3008, and amendments thereto, with regard to an impaired or an insolvent insurer.

(c) (1) The amount of any class A assessment shall be determined by the board and may be made on a pro rata or non-pro rata basis. If pro rata, the board may provide that it be credited against future class B assessments. ~~A non-pro rata assessment shall not exceed \$300 per member insurer in any one calendar year.~~ The amount of any class B assessment, except for assessments related to long-term care insurance, shall be allocated for assessment purposes among the accounts pursuant to an allocation formula ~~which that~~ may be based on the premiums or reserves of the impaired or insolvent insurer or any other standard deemed by the board in its sole discretion as being fair and reasonable under the circumstances.

(2) The amount of the class B assessment for long-term care insurance written by the impaired or insolvent insurer shall be allocated according to a methodology included in the plan of operation and approved by the commissioner. The methodology shall provide for 50% of the assessment to be allocated to accident and health member insurers and 50% to be allocated to life and annuity member insurers.

(3) Class B assessments against member insurers for each account shall be in the proportion that the premiums received on business in this state by each assessed member insurer on policies or contracts covered by each account for the three most recent calendar years for which information is available preceding the year in which the member insurer became impaired or insolvent, as the case may be, bears to such premiums received on business in this state for such calendar years by all assessed member insurers.

~~(3)~~(4) Assessments for funds to meet the requirements of the association with respect to an impaired or insolvent insurer shall not be made until necessary to implement the purposes of this act. Classification of assessments under subsection (b) and computation of assessments under this subsection shall be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible.

(d) The association may abate or defer, in whole or in part, the assessment of a member insurer if, in the opinion of the board, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. In the event an assessment against a member insurer is abated, or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments set forth in this section. Once the conditions that caused a deferral have been removed or rectified, the member insurer shall pay all assessments that were deferred pursuant to a repayment plan approved by the association.

(e) (1) The total of all assessments upon a member insurer for each account shall not in any one calendar year exceed 2% of such member insurer's average premiums

received in this state on the policies and contracts covered by the account during the three calendar years preceding the years in which the member insurer became an impaired or insolvent insurer.

(2) If two or more assessments are authorized in one calendar year with respect to member insurers that become impaired or insolvent in different calendar years, the average annual premiums for purposes of the aggregate assessment percentage limitation referenced in this subsection shall be equal and limited to the higher of the three-year average annual premiums for the applicable account as calculated pursuant to this section.

(3) If the maximum assessment, together with the other assets of the association in any account does not provide in any one year in either account an amount sufficient to carry out the responsibilities of the association, the necessary additional funds shall be assessed as soon thereafter as permitted by this act.

(4) The board may provide in the plan of operation a method of allocating funds among claims, whether relating to one or more impaired or insolvent insurers, when the maximum assessment will be insufficient to cover anticipated claims.

(f) The board, by an equitable method as established in the plan of operation, may refund to member insurers, in proportion to the contribution of each insurer to that account, the amount by which the assets of the account exceed the amount the board finds is necessary to carry out during the coming year the obligations of the association with regard to that account, including assets accruing from assignment, subrogation, net realized gains and income from investments. A reasonable amount may be retained in any account to provide funds for the continuing expenses of the association and for future losses.

(g) It shall be proper for any member insurer, in determining its premium rates and policyowner policyholder or contract holder dividends as to any kind of insurance or health maintenance organization business within the scope of this act, to consider the amount reasonably necessary to meet its assessment obligations under this act.

(h) The association shall issue to each member insurer paying an assessment under this act, other than a class A assessment, a certificate of contribution, in a form prescribed by the commissioner, for the amount of the assessment paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates of issue. A certificate of contribution may be shown by the member insurer in its financial statement as an asset in such form and for such amount, if any, and period of time as the commissioner may approve.

(i) (1) A member insurer that wishes to protest all or part of an assessment shall pay, when due, the full amount of the assessment as set forth in the notice provided by the association. The payment shall be available to meet association obligations during the pendency of the protest or any subsequent appeal. Payment shall be accompanied by a written statement that the payment is made under protest and shall set forth a brief statement of the grounds for the protest.

(2) Within 60 days following the payment of an assessment under protest by a member insurer, the association shall notify the member insurer, in writing, of its determination with respect to the protest unless the association notifies the member insurer that additional time is required to resolve the issues raised by the protest.

(3) Within 30 days after a final decision has been made, the association shall notify the protesting member insurer in writing of that final decision. Within 60 days of receipt

of notice of the final decision, the protesting member insurer may appeal that final action to the commissioner.

(4) As an alternative to rendering a final decision with respect to a protest based on a question regarding the assessment base, the association may refer protests to the commissioner for a final decision, with or without a recommendation from the association.

(5) If the protest or appeal on the assessment is upheld, the amount paid in error or excess shall be returned to the member insurer. Interest on a refund due a protesting member insurer shall be paid at the rate actually earned by the association.

(j) The association may request information of member insurers in order to aid in the exercise of its power under this section, and member insurers shall promptly comply with a request.

Sec. 13. K.S.A. 40-3010 is hereby amended to read as follows: 40-3010. (a) (1) The association shall submit to the commissioner a plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable and equitable administration of the association. The plan of operation and any amendments thereto shall become effective upon the commissioner's written approval or unless the commissioner has not disapproved it within 30 days.

(2) If the association fails to submit a suitable plan of operation within 120 days following the effective date of this act, or, if at any time thereafter the association fails to submit suitable amendments to the plan, the commissioner, after notice and hearing, shall adopt and promulgate such reasonable rules and regulations as are necessary or advisable to effectuate the provisions of this act. Such rules and regulations shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.

(b) All member insurers shall comply with the plan of operation.

(c) The plan of operation shall, in addition to requirements enumerated elsewhere in this act:

- (1) Establish procedures for handling the assets of the association;
- (2) establish the amount and method of reimbursing members of the board of directors under K.S.A. 40-3007, and amendments thereto;
- (3) establish regular places and times for meetings, including telephone conference calls, of the board of directors;
- (4) establish procedures for records to be kept of all financial transactions of the association, its agents and the board of directors;
- (5) establish the procedures whereby selections for the board of directors will be made and submitted to the commissioner;
- (6) establish any additional procedures for assessments under K.S.A. 40-3009, and amendments thereto; ~~and~~
- (7) contain additional provisions necessary or proper for the execution of the powers and duties of the association;
- (8) establish procedures whereby a director may be removed for cause, including in the case where a member insurer director becomes an impaired or insolvent insurer; and
- (9) require the board of directors to establish a policy and procedures for addressing conflicts of interests.

(d) The plan of operation may provide that any or all powers and duties of the association, except those under ~~subsection (p)(3)~~ of K.S.A. 40-3008 and 40-3009, and

amendments thereto, are delegated to a corporation, association or other organization ~~which that~~ performs or will perform functions similar to those of this association, or its equivalent, in two or more states. Such a corporation, association or organization shall be reimbursed for any payments made on behalf of the association and shall be paid for its performance of any function of the association. A delegation under this subsection shall take effect only with the approval of both the board of directors and the commissioner, and may be made only to a corporation, association or organization ~~which that~~ extends protection not substantially less favorable and effective than that provided by this act.

Sec. 14. K.S.A. 40-3011 is hereby amended to read as follows: 40-3011. In addition to the duties and powers enumerated in this act:

(a) The commissioner shall:

(1) Upon request of the board of directors, provide the association with a statement of the premiums in this and any other appropriate state for each member insurer;

(2) when an impairment is declared and the amount of the impairment is determined, serve a demand upon the impaired insurer to make good the impairment within a reasonable time; notice to the impaired insurer shall constitute notice to its shareholders, if any; the failure of the impaired insurer to promptly comply with such demand shall not excuse the association from the performance of its powers and duties under this act;

(3) in any liquidation or rehabilitation proceeding involving a domestic insurer, be appointed as the liquidator or rehabilitator.

(b) The commissioner may suspend or revoke, after notice and hearing in accordance with the provisions of the Kansas administrative procedure act, the certificate of authority to transact insurance business in this state of any member insurer ~~which that~~ fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative the commissioner may levy a forfeiture on any member insurer ~~which that~~ fails to pay an assessment when due. Such forfeiture shall not exceed 5% of the unpaid assessment per month, but ~~no a~~ forfeiture shall be not less than \$100 per month.

(c) Any final action of the board of directors or the association may be appealed to the commissioner by any member insurer if such appeal is taken within 60 days of the final action being appealed. ~~If a member company is appealing an assessment, the amount assessed shall be paid to the association and available to meet association obligations during the pendency of an appeal. If the appeal on the assessment is upheld, the amount paid in error shall be returned to the member insurer.~~ A final action or order of the commissioner shall be subject to judicial review in a court of competent jurisdiction in accordance with the laws of this state that apply to the actions or orders of the commissioner.

(d) The liquidator, rehabilitator or conservator of any impaired insurer may notify all interested persons of the effect of this act.

Sec. 15. K.S.A. 40-3012 is hereby amended to read as follows: 40-3012. To aid in the detection and prevention of member insurer impairments or insolvencies:

(a) It shall be the duty of the commissioner to:

(1) Notify the commissioners of all other states, territories of the United States and the District of Columbia when the commissioner takes any of the following actions against a member insurer:

(A) Revocation of license or certificate of authority;  
 (B) suspension of license or certificate of authority; or  
 (C) makes any formal order that such ~~company member insurer~~ restricts its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus or any other account for the security of policyholders, contract holders, certificate holders or creditors.

Such notice shall be mailed to all commissioners within 30 days following the action taken or the date on which such action occurs;

(2) report to the board of directors when the commissioner has taken any of the actions set forth in paragraph (1) ~~of this subsection~~ or has received a report from any other commissioner indicating that any such action has been taken in another state. Such report to the board of directors shall contain all significant details of the action taken or the report received from another commissioner;

(3) report to the board of directors when the commissioner has reasonable cause to believe from any examination, whether completed or in process, of any member company that such ~~company member insurer~~ may be an impaired or insolvent insurer. Such report and information shall be kept confidential by the board of directors until such time as made public by the commissioner or other lawful authority;

(4) furnish to the board of directors the national association of insurance commissioners' insurance regulatory information system ratios and listings of companies not included in the ratios developed by the national association of insurance commissioners, and the board may use the information contained therein in carrying out its duties and responsibilities under this section. Such report and the information contained therein shall be kept confidential by the board of directors until such time as made public by the commissioner or other lawful authority.

(b) The commissioner may seek the advice and recommendations of the board of directors concerning any matter affecting the commissioner's duties and responsibilities regarding the financial condition of member insurers and companies health maintenance organization seeking admission to transact ~~insurance~~ business in this state.

(c) The board of directors, upon majority vote, may make reports and recommendations to the commissioner upon any matter germane to the solvency, liquidation, rehabilitation or conservation of any member insurer or germane to the solvency of any ~~company insurer or health maintenance organization~~ seeking to do ~~any insurance~~ business in this state. Such reports and recommendations shall not be considered public documents.

(d) It shall be the duty of the board of directors, upon majority vote, to notify the commissioner of any information indicating any member insurer may be an impaired or insolvent insurer.

~~(e) The board of directors, upon majority vote, may request that the commissioner order an examination of any member insurer which the board in good faith believes may be an impaired or insolvent insurer. The examination may be conducted as a national association of insurance commissioners' examination or may be conducted by such persons as the commissioner designates. The cost of such examination shall be paid by the association and the examination report shall be treated as are other examination reports. In no event shall such examination report be released to the board of directors prior to its release to the public, but this shall not preclude the commissioner from complying with subsection (a).~~

The commissioner shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the commissioner but it shall not be open to public inspection prior to the release of the examination report to the public.

(f) The board of directors, upon majority vote, may make recommendations to the commissioner for the detection and prevention of member insurer insolvencies.

~~(g) The board of directors, at the conclusion of any insurer insolvency in which the association was obligated to pay covered claims, shall prepare a report to the commissioner containing such information as it may have in its possession bearing on the history and causes of such insolvency. The board shall cooperate with the board of directors of guaranty associations in other states in preparing a report on the history and causes of insolvency of a particular insurer and may adopt, by reference, any report prepared by such other associations.~~

Sec. 16. K.S.A. 40-3013 is hereby amended to read as follows: 40-3013. (a) Nothing in this act shall be construed to reduce the liability for unpaid assessments of the insureds or enrollees of an impaired or insolvent insurer operating under a plan with assessment liability.

(b) Records shall be kept of all negotiations and meetings in which the association or its representatives are involved to discuss the activities of the association in carrying out its powers and duties under K.S.A. 40-3008, and amendments thereto. Records of such negotiations or meetings shall be made public only upon the termination of a liquidation, rehabilitation or conservation proceeding involving the impaired or insolvent insurer, upon the termination of the impairment or insolvency of the member insurer, or upon the order of a court of competent jurisdiction. Nothing in this subsection shall limit the duty of the association to render a report of its activities under K.S.A. 40-3014, and amendments thereto.

(c) For the purpose of carrying out its obligations under this act, the association shall be deemed to be a creditor of the impaired or insolvent insurer to the extent of assets attributable to covered policies reduced by any amounts to which the association is entitled as subrogee pursuant to ~~subsection (f) of~~ K.S.A. 40-3008, and amendments thereto. Assets of the impaired or insolvent insurer attributable to covered policies shall be used to continue all covered policies and pay all contractual obligations of the impaired or insolvent insurer as required by this act. Assets attributable to covered policies or contracts, as used in this subsection, are that proportion of the assets ~~which~~ that the reserves that should have been established for such policies or contracts bear to the reserve that should have been established for all policies or contracts of insurance or health benefit plans written by the impaired or insolvent insurer.

(d) As a creditor of the impaired or insolvent insurer, as established in subsection (c) and consistent with K.S.A. 40-3635, and amendments thereto, the association and other similar associations shall be entitled to receive a disbursement of assets out of the marshaled assets, from time to time as the assets become available to reimburse it, as a credit against contractual obligations under this act. If the liquidator has not, within 120 days of a final determination of insolvency of a member insurer by the receivership court, made an application to the court for the approval of a proposal to disburse assets out of marshaled assets to guaranty associations having obligations because of the insolvency, then the association shall be entitled to make application to the receivership court for approval of its own proposal to disburse these assets.

(e)(1) Prior to the termination of any liquidation, rehabilitation, or conservation proceeding, the court may take into consideration the contributions of the respective parties, including the association, the shareholders ~~and policyowners~~, policyholders, contract holders, certificate holders and enrollees of the insolvent insurer, and any other party with a bona fide interest, in making an equitable distribution of the ownership rights of such insolvent insurer. In such a determination, consideration shall be given to the welfare of the policyholders, contract holders, certificate holders and enrollees of the continuing or successor member insurer.

(2) No distribution to stockholders, if any, of an impaired or insolvent insurer shall be made until and unless the total amount of valid claims of the association with interest thereon for funds expended in carrying out its powers and duties under K.S.A. 40-3008, and amendments thereto, with respect to such member insurer have been fully recovered by the association.

~~(e)(f)~~ (1) If an order for liquidation or rehabilitation of ~~an a member~~ insurer domiciled in this state has been entered, the receiver appointed under such order shall have a right to recover on behalf of the member insurer, from any affiliate that controlled it, the amount of distributions, other than stock dividends paid by the member insurer on its capital stock, made at any time during the five years preceding the petition for liquidation or rehabilitation subject to the limitations of ~~subsections paragraphs (2) to through (4), inclusive.~~

(2) No such distribution shall be recoverable if the member insurer shows that when paid the distribution was lawful and reasonable, and that the member insurer did not know and could not reasonably have known that the distribution might adversely affect the ability of the member insurer to fulfill its contractual obligations.

(3) Any person who was an affiliate that controlled the member insurer at the time the distributions were paid shall be liable up to the amount of distributions such person received. Any person who was an affiliate that controlled the member insurer at the time the distributions were declared, shall be liable up to the amount of distributions such person would have received if such person had been paid immediately. If two or more persons are liable with respect to the same distributions, such person shall be jointly and severally liable.

(4) The maximum amount recoverable under this subsection shall be the amount needed in excess of all other available assets of the insolvent insurer to pay the contractual obligations of the insolvent insurer.

(5) If any person liable under ~~subsection paragraph~~ (3) is insolvent, all its affiliates that controlled it at the time the distribution was paid, shall be jointly and severally liable for any resulting deficiency in the amount recovered from the insolvent affiliate.

Sec. 17. K.S.A. 40-3013a is hereby amended to read as follows: 40-3013a. (a) No person, including ~~an a member~~ insurer, agent or affiliate of ~~an a member~~ insurer shall make, publish, disseminate, circulate or place before the public, or cause directly or indirectly, to be made, published, disseminated, circulated or placed before the public, in any newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station or television station, or in any other way, any advertisement, announcement or statement, written or oral, which uses the existence of the insurance guaranty association of this state for the purpose of sales, solicitation or inducement to purchase any form of insurance or other coverage covered by the Kansas life and health insurance guaranty association act. This section shall not

apply to the Kansas life and health insurance guaranty association or any other entity ~~which that~~ does not sell or solicit insurance or coverage by a health maintenance organization.

(b) Within 180 days of the effective date of this act, the association shall prepare a summary document describing the general purposes and current limitations of this act in complying with subsection (c). This summary document ~~should~~ shall be submitted to the commissioner for approval. Sixty days after receiving such approval, no member insurer may deliver a policy or contract ~~described in subsection (b) of K.S.A. 40-3003, and amendments thereto,~~ to a policy or policyholder, contract holder, certificate holder or enrollee unless the summary document is delivered to the policy or policyholder, contract holder, certificate holder or enrollee at the time of delivery of the policy or contract ~~except if subsection (d) applies.~~ The summary document ~~should~~ shall also be available upon request by a policyholder, contract holder, certificate holder or enrollee. The distribution, delivery or contents or interpretation of this summary document shall not mean that either the policy or the contract or the policyholder, contract holder, certificate holder or enrollee thereof would be covered in the event of the impairment or insolvency of a member insurer. The ~~description~~ summary document shall be revised by the association as amendments to this act may require. Failure to receive this document does not give the policyholder, contract holder, certificate holder, enrollee or insured any greater rights than those stated in this act.

(c) The summary document prepared under subsection (b) shall contain a clear and conspicuous disclaimer on its face. The commissioner shall promulgate a rule establishing the form and content of the disclaimer. The disclaimer shall:

(1) State the name and address of the life and health insurance guaranty association and insurance department;

(2) prominently warn the policy or policyholder, contract holder, certificate holder or enrollee that the life and health insurance guaranty association may not cover the policy or contract or, if coverage is available, it will be subject to substantial limitations, exclusions and conditioned on continued residence in the state;

(3) state the types of policies or contracts for which guaranty funds will provide coverage;

(4) state that the member insurer and its agents are prohibited by law from using the existence of the life and health insurance guaranty association for the purpose of sales, solicitation or inducement to purchase any form of insurance or health maintenance organization coverage;

(4)(5) emphasize ~~state~~ that the policy or policyholder, contract holder, certificate holder or enrollee should not rely on coverage under the life and health insurance guaranty association when selecting an insurer; and or health maintenance organization;

(6) explain rights available and procedures for filing a complaint to allege a violation of any provisions of this act; and

(5)(7) provide other information as directed by the commissioner, including, but not limited to, sources for information about the financial condition of insurers, provided that the information is not proprietary and is subject to disclosure under that state's public records law.

(d) ~~No insurer or agent may deliver a policy or contract described in subsection (b) of K.S.A. 40-3003, and amendments thereto, and excluded under subsection (n)(1) of K.S.A. 40-3008, and amendments thereto, from coverage under this act unless the~~

insurer or agent, prior to or at the time of delivery, gives the policy or contract holder a separate written notice which clearly and conspicuously discloses that the policy or contract is not covered by the life and health insurance guaranty association. The commissioner, by rule, shall specify the form and content of the notice. A member insurer shall retain evidence of compliance with subsection (b) for so long as the policy or contract for which the notice is given remains in effect.

Sec. 18. K.S.A. 40-3016 is hereby amended to read as follows: 40-3016. (a) Unless a longer period has been allowed by the commissioner, a member insurer shall at its option have the right to show a certificate of contribution as an asset in the form approved by the commissioner pursuant to ~~subsection (h)~~ of K.S.A. 40-3009, and amendments thereto, at percentages of the original face amount approved by the commissioner, for calendar years as follows:

- (1) ~~One hundred percent~~100% for the calendar year of issuance;
- (2) ~~eighty percent~~80% for the first calendar year after the year of issuance;
- (3) ~~sixty percent~~60% for the second calendar year after the year of issuance;
- (4) ~~forty percent~~40% for the third calendar year after the year of issuance;
- (5) ~~twenty percent~~20% for the fourth calendar year after the year of issuance.

(b) The member insurer may offset the amount written off by it in a calendar year under subsection (a) ~~above~~, against its premium tax liability to this state accrued with respect to business transacted in such year.

(c) A member insurer that is exempt from taxes referenced in subsection (a) may recoup its assessments by a surcharge on its premiums in a sum reasonably calculated to recoup the assessments over a reasonable period of time, as approved by the commissioner. Amounts recouped shall not be considered premiums for any other purpose, including the computation of gross premium tax, the medical loss ratio, or agent commission. If a member insurer collects excess surcharges, the member insurer shall remit the excess amount to the association, and the excess amount shall be applied to reduce future assessments in the appropriate account.

(d) Any sums acquired by refund, pursuant to ~~subsection (f)~~ of K.S.A. 40-3009, and amendments thereto, from the association ~~which that~~ have theretofore been written off by contributing member insurers and offset against premium taxes as provided in subsection (b) ~~above~~, and ~~is are~~ not then needed for purposes of this act, shall be paid by the association to the commissioner and the commissioner shall remit such moneys to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

Sec. 19. K.S.A. 40-3018 is hereby amended to read as follows: 40-3018. All proceedings in which the impaired or insolvent insurer is a party in any court in this state shall be stayed ~~60~~ 180 days from the date an order of liquidation, rehabilitation or conservation is final to permit proper legal action by the association on any matters germane to its powers or duties. As to a judgment under any decision, order, verdict or finding based on default the association may apply to have such judgment set aside by the same court that made such judgment and shall be permitted to defend against such suit on the merits.";

Also on page 6, in line 43, by striking "and" and inserting a comma; also in line 43, after "40-2910" by inserting ", 40-3002, 40-3003, 40-3004, 40-3005, 40-3006, 40-3007, 40-3008, 40-3009, 40-3010, 40-3011, 40-3012, 40-3013, 40-3013a, 40-3016 and 40-

3018";

On page 7, in line 3, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "property and casualty"; in line 2, after "act" by inserting "and the Kansas life and health insurance guaranty association"; in line 5, after the semicolon by inserting "including health maintenance organization as member insurers; broadening the assessment base for long-term care insolvencies;"; in line 8, by striking the first "and" and inserting a comma; also in line 8, after "40-2910" by inserting ", 40-3002, 40-3003, 40-3005, 40-3006, 40-3007, 40-3008, 40-3009, 40-3010, 40-3011, 40-3012, 40-3013, 40-3013a, 40-3016 and 40-3018"; in line 9, after "sections" by inserting "; also repealing K.S.A. 40-3004";

And your committee on conference recommends the adoption of this report.

JEFF LONGBINE

MICHAEL FAGG

CINDY HOLSCHER

*Conferees on part of Senate*

BILL SUTTON

PATRICK PENN

CINDY NEIGHBOR

*Conferees on part of House*

On motion of Rep. Sutton, the conference committee report on **HB 2787** was adopted.

On roll call, the vote was: Yeas 117; Nays 3; Present but not voting: 0; Absent or not voting: 5.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Hill, Hoffman, Hoheisel, Houglund, Howe, Howell, Howerton, Hoyer, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: Helgerson, Highberger, Ousley.

Present but not voting: None.

Absent or not voting: Alcalá, Garber, Houser, Poetter, Ruiz, L..

#### **CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 410** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 13 through 34;

On page 2, by striking all in lines 1 through 18; following line 18, by inserting:

"New Section 1. Adverse influences not sufficiently accounted for in the agricultural use valuation formula for land devoted to agricultural use shall be addressed by the director of property valuation and the county appraiser. Adverse influences include, but are not limited to, canopy cover, salinity and alkalinity, water table fluctuation and newly constructed drainage and flood control areas. The county appraiser shall address canopy cover, salinity and alkalinity, water table fluctuation and newly constructed drainage and flood control areas as follows:

- (a) For canopy cover, the county appraiser shall:
  - (1) View the parcel;
  - (2) delineate the area impacted on a map;
  - (3) determine the appropriate reduction from actual inspection and make the appropriate reduction as follows:
    - (A) 0 to 25% cover = no reduction;
    - (B) 25% to 50% cover = 20% reduction;
    - (C) 50% to 75% cover = 30% reduction; and
    - (D) 75% to 100% cover = 50% reduction; and
  - (4) establish an adverse influence file for the parcel;
- (b) for salinity and alkalinity, the county appraiser shall:
  - (1) Request that the taxpayer provide soil analysis from a crop consulting service;
  - (2) delineate the area impacted on a map;
  - (3) reduce the value as indicated by the report;
  - (4) establish an adverse influence file for the parcel; and
  - (5) notify the local United States department of agriculture natural resources conservation service (NRCS) office of the change;
- (c) for water table fluctuation, the county appraiser shall:
  - (1) Delineate the area impacted on a map;
  - (2) contact the local NRCS office and request verification;
  - (3) contact the division of property valuation for assistance;
  - (4) obtain a temporary influence amount from the division of property valuation to use until the NRCS review is complete; and
  - (5) establish an adverse influence file for the parcel; and
- (d) for newly constructed drainage and flood control areas, the county appraiser shall:
  - (1) View the parcel;

- (2) delineate the area impacted on a map;
- (3) contact the division of property valuation for assistance;
- (4) receive an adverse influence amount from the division of property valuation after the division contacts the responsible agency; and
- (5) establish an adverse influence file for the parcel.

New Sec. 2. (a) The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

- (1) Any new electric generation facility.
- (2) Any new addition to a new or existing electric generation facility.
- (3) Any new pollution control device constructed or installed on or after January 1, 2025, at a new or existing electric generation facility.
- (b) The provisions of this section shall apply from and after commencement of construction or installation of such property and for the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed.

(c) As used in this section:

(1) "Existing electric generation facility" means an electric generation facility described in K.S.A. 66-104(e) or 66-128(b)(2)(C), and amendments thereto, that is in existence on December 31, 2024. "Existing electric generation facility" does not include an electric generation facility that converts wind, solar, biomass, landfill gas or any other renewable source of energy to electricity.

(2) "New addition" means any real or tangible personal property constructed or installed on or after January 1, 2025, for incorporation in and use as part of a new or existing electric generation facility.

(3) "New electric generation facility" means an electric generation facility described in K.S.A. 66-104(e) or 66-128(b)(2)(C), and amendments thereto, and the commencement of construction of such facility began on or after January 1, 2025. "New electric generation facility" includes any electric generation facility that utilizes nuclear energy for the generation of electricity. "New electric generation facility" does not include any electric generation facility that converts wind, solar, biomass, landfill gas or any other renewable source of energy to electricity.

(d) The provisions of this section shall apply to all taxable years commencing after December 31, 2024.

Sec. 3. K.S.A. 2023 Supp. 12-187 is hereby amended to read as follows: 12-187. (a) No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal

in number to not less than 10% of the electors of such city.

(b) (1) The board of county commissioners of any county may submit the question of imposing a countywide retailers' sales tax to the electors at an election called and held thereon, and any such board shall be required to submit the question upon submission of a petition signed by electors of such county equal in number to not less than 10% of the electors of such county who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than  $\frac{2}{3}$  of the membership of the governing body of each of one or more cities within such county that contains a population of not less than 25% of the entire population of the county, or upon receiving resolutions requesting such an election passed by  $\frac{2}{3}$  of the membership of the governing body of each of one or more taxing subdivisions within such county that levy not less than 25% of the property taxes levied by all taxing subdivisions within the county.

(2) The board of county commissioners of Anderson, Atchison, Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Franklin, Grant, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho, Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Thomas, Wabaunsee, Wilson and Wyandotte counties may submit the question of imposing a countywide retailers' sales tax and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire when sales tax sufficient to pay all of the costs incurred in the financing of such facility has been collected by retailers as determined by the secretary of revenue. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189, and amendments thereto.

(3) (A) Except as otherwise provided in this paragraph, the result of the election held on November 8, 1988, on the question submitted by the board of county commissioners of Jackson county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the Banner Creek reservoir project. The tax imposed pursuant to this paragraph shall take effect on the effective date of this act and shall expire not later than five years after such date.

(B) The result of the election held on November 8, 1994, on the question submitted by the board of county commissioners of Ottawa county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the erection, construction and furnishing of a law enforcement center and jail facility.

(C) Except as otherwise provided in this paragraph, the result of the election held on November 2, 2004, on the question submitted by the board of county commissioners of Sedgwick county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be used only to pay the costs of: (i) Acquisition of a site and constructing and equipping thereon a new regional events center, associated parking and infrastructure improvements and related appurtenances thereto, to be located in the downtown area of the city of Wichita, Kansas, (the "downtown arena"); (ii) design for the Kansas

coliseum complex and construction of improvements to the pavilions; and (iii) establishing an operating and maintenance reserve for the downtown arena and the Kansas coliseum complex. The tax imposed pursuant to this paragraph shall commence on July 1, 2005, and shall terminate not later than 30 months after the commencement thereof.

(D) Except as otherwise provided in this paragraph, the result of the election held on August 5, 2008, on the question submitted by the board of county commissioners of Lyon county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended for the purposes of ad valorem tax reduction and capital outlay. The tax imposed pursuant to this paragraph shall terminate not later than five years after the commencement thereof.

(E) Except as otherwise provided in this paragraph, the result of the election held on August 5, 2008, on the question submitted by the board of county commissioners of Rawlins county for the purpose of increasing its countywide retailers' sales tax by 0.75% is hereby declared valid, and the revenue received therefrom by the county shall be expended for the purposes of financing the costs of a swimming pool. The tax imposed pursuant to this paragraph shall terminate not later than 15 years after the commencement thereof or upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

(F) The result of the election held on December 1, 2009, on the question submitted by the board of county commissioners of Chautauqua county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received from such tax by the county shall be expended for the purposes of financing the costs of constructing, furnishing and equipping a county jail and law enforcement center and necessary improvements appurtenant to such jail and law enforcement center. Any tax imposed pursuant to authority granted in this paragraph shall terminate upon payment of all costs authorized pursuant to this paragraph incurred in the financing of the project described in this paragraph.

(G) The result of the election held on April 7, 2015, on the question submitted by the board of county commissioners of Bourbon county for the purpose of increasing its retailers' sales tax by 0.4% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the costs of constructing, furnishing and operating a courthouse, law enforcement center or jail facility improvements. Any tax imposed pursuant to authority granted in this paragraph shall terminate upon payment of all costs authorized pursuant to this paragraph incurred in the financing of the project described in this paragraph.

(H) The result of the election held on November 7, 2017, on the question submitted by the board of county commissioners of Finney county for the purpose of increasing its countywide retailers' sales tax by 0.3% is hereby declared valid, and the revenues of such tax shall be used by Finney county and the city of Garden City, Kansas, as agreed in an interlocal cooperation agreement between the city and county, and as detailed in the ballot question approved by voters. The tax imposed pursuant to this subparagraph shall be levied for a period of 15 years from the date it is first levied.

(I) The result of the election held on November 3, 2020, on the question submitted by the board of county commissioners of Cherokee county for the purpose of increasing its retailers' sales tax by 0.5% is hereby declared valid, and the revenue received

therefrom by the county shall be expended solely for the purpose of financing: (i) Ambulance services within the county; (ii) renovations and maintenance of county buildings and facilities; or (iii) any other projects within the county deemed necessary by the governing body of Cherokee county. The tax imposed pursuant to this subparagraph shall terminate prior to January 1, 2033.

(4) The board of county commissioners of Finney and Ford counties may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing all or any portion of the cost to be paid by Finney or Ford county for construction of highway projects identified as system enhancements under the provisions of K.S.A. 68-2314(b)(5), and amendments thereto, to the electors at an election called and held thereon. Such election shall be called and held in the manner provided by the general bond law. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Finney or Ford county pursuant to this paragraph to exceed the maximum rate prescribed in K.S.A. 12-189, and amendments thereto. If any funds remain upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects in Finney county, the state treasurer shall remit such funds to the treasurer of Finney county and upon receipt of such moneys shall be deposited to the credit of the county road and bridge fund. If any funds remain upon the payment of all costs authorized pursuant to this paragraph in the financing of such highway projects in Ford county, the state treasurer shall remit such funds to the treasurer of Ford county and upon receipt of such moneys shall be deposited to the credit of the county road and bridge fund.

(5) The board of county commissioners of any county may submit the question of imposing a retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. Whenever any county imposes a tax pursuant to this paragraph, any tax imposed pursuant to subsection (a)(2) by any city located in such county shall expire upon the effective date of the imposition of the countywide tax, and thereafter the state treasurer shall remit to each such city that portion of the countywide tax revenue collected by retailers within such city as certified by the director of taxation. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include, but not be limited to, the following: Local health departments, city or county hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

(6) The board of county commissioners of Allen county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of operation and construction of a solid waste disposal area or the modification of an existing landfill to comply with federal regulations to the electors at an election called and held thereon. The tax

imposed pursuant to this paragraph shall expire upon the payment of all costs incurred in the financing of the project undertaken. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Allen county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189, and amendments thereto.

(7) (A) The board of county commissioners of Clay and Miami county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.50% in the case of Clay county and at a rate of up to 1% in the case of Miami county, and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. Except as otherwise provided, the tax imposed pursuant to this subparagraph shall expire after five years from the date such tax is first collected. The result of the election held on November 2, 2004, on the question submitted by the board of county commissioners of Miami county for the purpose of extending for an additional five-year period the countywide retailers' sales tax imposed pursuant to this subsection in Miami county is hereby declared valid. The countywide retailers' sales tax imposed pursuant to this subsection in Clay and Miami county may be extended or reenacted for additional five-year periods upon the board of county commissioners of Clay and Miami county submitting such question to the electors at an election called and held thereon for each additional five-year period as provided by law.

(B) The board of county commissioners of Dickinson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this subparagraph shall expire after 10 years from the date such tax is first collected.

(8) The board of county commissioners of Sherman county may submit the question of imposing a countywide retailers' sales tax at the rate of 1% and pledging the revenue received therefrom for the purpose of financing the costs of street and roadway improvements to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

(9) (A) The board of county commissioners of Cowley, Crawford and Woodson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% in the case of Crawford and Woodson county and at a rate of up to 0.25%, in the case of Cowley county and pledging the revenue received therefrom for the purpose of financing economic development initiatives or public infrastructure projects. The tax imposed pursuant to this subparagraph shall expire after five years from the date such tax is first collected.

(B) The board of county commissioners of Russell county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing economic development initiatives or public infrastructure projects. The tax imposed pursuant to this subparagraph shall expire after 10 years from the date such tax is first collected.

(10) The board of county commissioners of Franklin county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing recreational facilities. The

tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such facilities.

(11) The board of county commissioners of Douglas county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purposes of conservation, access and management of open space; preservation of cultural heritage; and economic development projects and activities.

(12) The board of county commissioners of Shawnee county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom to the city of Topeka for the purpose of financing the costs of rebuilding the Topeka boulevard bridge and other public infrastructure improvements associated with such project to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such project.

(13) The board of county commissioners of Jackson county may submit the question of imposing a countywide retailers' sales tax at a rate of 0.4% and pledging the revenue received therefrom for the purpose of financing public infrastructure projects to the electors at an election called and held thereon. Such tax shall expire after seven years from the date such tax is first collected.

(14) The board of county commissioners of Neosho county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

(15) The board of county commissioners of Saline county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of construction and operation of an expo center to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected.

(16) The board of county commissioners of Harvey county may submit the question of imposing a countywide retailers' sales tax at the rate of 1.0% and pledging the revenue received therefrom for the purpose of financing the costs of property tax relief, economic development initiatives and public infrastructure improvements to the electors at an election called and held thereon.

(17) The board of county commissioners of Atchison county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the costs of construction and maintenance of sports and recreational facilities to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such facilities.

(18) The board of county commissioners of Wabaunsee county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 15 years from the

date such tax is first collected. On and after July 1, 2019, the countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for one additional period not to exceed 15 years upon the board of county commissioners of Wabunsee county submitting such question to the electors at an election called and held thereon as provided by law. For any countywide retailers' sales tax that is extended or reenacted pursuant to this paragraph, such tax shall expire not later than 15 years from the date such tax is first collected.

(19) The board of county commissioners of Jefferson county may submit the question of imposing a countywide retailers' sales tax at the rate of 1% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after six years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional six-year periods upon the board of county commissioners of Jefferson county submitting such question to the electors at an election called and held thereon for each additional six-year period as provided by law.

(20) The board of county commissioners of Riley county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected.

(21) The board of county commissioners of Johnson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the construction and operation costs of public safety projects, including, but not limited to, a jail, detention center, sheriff's resource center, crime lab or other county administrative or operational facility dedicated to public safety, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this subsection may be extended or reenacted for additional periods not exceeding 10 years upon the board of county commissioners of Johnson county submitting such question to the electors at an election called and held thereon for each additional ten-year period as provided by law.

(22) The board of county commissioners of Wilson county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvements to federal highways, the development of a new industrial park and other public infrastructure improvements to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project or projects.

(23) The board of county commissioners of Butler county may submit the question of imposing a countywide retailers' sales tax at the rate of either 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of financing the costs of public safety capital projects or bridge and roadway construction projects, or both, to

the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such projects.

(24) The board of county commissioners of Barton county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway and bridge construction and improvement and infrastructure development and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected.

(25) The board of county commissioners of Jefferson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the costs of the county's obligation as participating employer to make employer contributions and other required contributions to the Kansas public employees retirement system for eligible employees of the county who are members of the Kansas police and firemen's retirement system, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such purpose.

(26) The board of county commissioners of Pottawatomie county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, or public infrastructure improvements, or both, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such project or projects.

(27) The board of county commissioners of Kingman county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of financing the costs of constructing and furnishing a law enforcement center and jail facility and the costs of roadway and bridge improvements to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire not later than 20 years from the date such tax is first collected.

(28) The board of county commissioners of Edwards county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.375% and pledging the revenue therefrom for the purpose of financing the costs of economic development initiatives to the electors at an election called and held thereon.

(29) The board of county commissioners of Rooks county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue therefrom for the purpose of financing the costs of constructing or remodeling and furnishing a jail facility to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs authorized in financing such project or projects.

(30) The board of county commissioners of Douglas county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility, detention facility or other county administrative facility, specifically including mental health and for the operation thereof.

(31) The board of county commissioners of Bourbon county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1%, in increments of 0.05%, and pledging the revenue received therefrom for the purpose of financing the costs of constructing, furnishing and operating a courthouse, law enforcement center or jail facility improvements to the electors at an election called and held thereon.

(32) The board of county commissioners of Marion county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of property tax relief, economic development initiatives and the construction of public infrastructure improvements, including buildings, to the electors at an election called and held thereon.

(33) The board of county commissioners of Wilson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of supporting emergency medical and ambulance services in the county to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional periods not exceeding 10 years per period upon the board of county commissioners of Wilson county submitting such question to the electors at an election called and held thereon for each additional period as provided by law. This paragraph shall not be construed to cause the expiration, repeal or termination of any existing city retailers' sales tax for health care services as defined in paragraph (5).

(34) The board of county commissioners of Atchison county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received for the purpose of joint law enforcement communications and solid waste disposal in Atchison county to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected.

(35) The board of county commissioners of Dickinson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the costs of public safety capital projects to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional five-year periods upon the board of county commissioners of Dickinson county submitting such question to the electors at an election called and held thereon for each additional five-year period as provided by law.

(36) The board of county commissioners of Rawlins county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received therefrom for the purpose of financing the costs of construction, remodeling, capital improvements or maintenance of attendance centers or other district facilities of any school district or school districts within the county. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing the costs of attendance centers or other district facilities for U.S.D. No. 105.

(37) The board of county commissioners of Marshall county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue therefrom for the purpose of financing the costs of constructing or remodeling and furnishing a jail facility to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs authorized in financing such project or projects.

(38) The board of county commissioners of Neosho county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway and bridge construction, maintenance and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected.

(c) The boards of county commissioners of any two or more contiguous counties, upon adoption of a joint resolution by such boards, may submit the question of imposing a retailers' sales tax within such counties to the electors of such counties at an election called and held thereon and such boards of any two or more contiguous counties shall be required to submit such question upon submission of a petition in each of such counties, signed by a number of electors of each of such counties where submitted equal in number to not less than 10% of the electors of each of such counties who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than  $\frac{2}{3}$  of the membership of the governing body of each of one or more cities within each of such counties that contains a population of not less than 25% of the entire population of each of such counties, or upon receiving resolutions requesting such an election passed by  $\frac{2}{3}$  of the membership of the governing body of each of one or more taxing subdivisions within each of such counties that levy not less than 25% of the property taxes levied by all taxing subdivisions within each of such counties.

(d) Notwithstanding any provision of law to the contrary, including subsection (b) (5), any city retailers' sales tax being levied by a city prior to July 1, 2006, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax or until repealed by the adoption of an ordinance for such repeal. Any countywide retailers' sales tax in the amount of 0.5% or 1% in effect on July 1, 1990, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax.

(e) Any city or county proposing to adopt a retailers' sales tax shall give notice of its intention to submit such proposition for approval by the electors in the manner required by K.S.A. 10-120, and amendments thereto. The notices shall state the time of the election and the rate and effective date of the proposed tax. If a majority of the electors voting thereon at such election fail to approve the proposition, such proposition may be resubmitted under the conditions and in the manner provided in this act for submission of the proposition. If a majority of the electors voting thereon at such election shall approve the levying of such tax, the governing body of any such city or county shall provide by ordinance or resolution, as the case may be, for the levy of the tax. Any repeal of such tax or any reduction or increase in the rate thereof, within the limits prescribed by K.S.A. 12-189, and amendments thereto, shall be accomplished in the manner provided herein for the adoption and approval of such tax except that the repeal of any such city retailers' sales tax may be accomplished by the adoption of an

ordinance so providing.

(f) The sufficiency of the number of signers of any petition filed under this section shall be determined by the county election officer. Every election held under this act shall be conducted by the county election officer.

(g) (1) The governing body of the city or county proposing to levy any retailers' sales tax shall specify the purpose or purposes for which the revenue would be used, and a statement generally describing such purpose or purposes shall be included as a part of the ballot proposition.

(2) In addition to the requirements set forth in paragraph (1), the governing body of the county proposing to levy a countywide retailers' sales tax shall include as a part of the ballot proposition whether:

(A) The apportionment formula provided in K.S.A. 12-192, and amendments thereto, will apply to the revenue;

(B) an interlocal agreement was entered whereby the county will retain either all or part of the revenue; or

(C) pursuant to law, the county retains the revenue in its entirety.

Sec. 4. K.S.A. 2023 Supp. 12-189 is hereby amended to read as follows: 12-189. The rate of any city retailers' sales tax shall be fixed in increments of 0.05% and in an amount not to exceed 2% for general purposes and not to exceed 1% for special purposes, which shall be determined by the governing body of the city. For any retailers' sales tax imposed by a city for special purposes, such city shall specify the purposes for which such tax is imposed. All such special purpose retailers' sales taxes imposed by a city shall expire after 10 years from the date such tax is first collected. The rate of any countywide retailers' sales tax shall be fixed in an amount not to exceed 1% and shall be fixed in increments of 0.25%, and which amount shall be determined by the board of county commissioners, except that:

(a) The board of county commissioners of Wabaunsee county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.25%; the board of county commissioners of Osage or Reno county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.25% or 1.5%; the board of county commissioners of Cherokee, Crawford, Ford, Saline, Seward or Wyandotte county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5%; the board of county commissioners of Atchison or Thomas county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5% or 1.75%; the board of county commissioners of Anderson, Barton, Jefferson or Ottawa county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2%; the board of county commissioners of Marion county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2.5%; the board of county commissioners of Franklin, Linn and Miami counties, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the respective board of county commissioners on July 1, 2007, plus up to 1.0%; and the board of county commissioners of Brown or Grant county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at up to 2%;

(b) the board of county commissioners of Jackson county, for the purposes of K.S.A. 12-187(b)(3), and amendments thereto, may fix such rate at 2%;

(c) the boards of county commissioners of Finney and Ford counties, for the

purposes of K.S.A. 12-187(b)(4), and amendments thereto, may fix such rate at 0.25%;

(d) the board of county commissioners of any county, for the purposes of K.S.A. 12-187(b)(5), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by a board of county commissioners on the effective date of this act plus 0.25%, 0.5%, 0.75% or 1%, as the case requires;

(e) the board of county commissioners of Dickinson county, for the purposes of K.S.A. 12-187(b)(7), and amendments thereto, may fix such rate at 1.5%, and the board of county commissioners of Miami county, for the purposes of K.S.A. 12-187(b)(7), and amendments thereto, may fix such rate at 1.25%, 1.5%, 1.75% or 2%;

(f) the board of county commissioners of Sherman county, for the purposes of K.S.A. 12-187(b)(8), and amendments thereto, may fix such rate at 2.25%;

(g) the board of county commissioners of Crawford or Russell county for the purposes of K.S.A. 12-187(b)(9), and amendments thereto, may fix such rate at 1.5%;

(h) the board of county commissioners of Franklin county, for the purposes of K.S.A. 12-187(b)(10), and amendments thereto, may fix such rate at 1.75%;

(i) the board of county commissioners of Douglas county, for the purposes of K.S.A. 12-187(b)(11) and (b)(30), and amendments thereto, may fix such rate at 1.75%;

(j) the board of county commissioners of Jackson county, for the purposes of K.S.A. 12-187(b)(13), and amendments thereto, may fix such rate at 1.4%;

(k) the board of county commissioners of Sedgwick county, for the purposes of K.S.A. 12-187(b)(3)(C), and amendments thereto, may fix such rate at 2%;

(l) the board of county commissioners of Neosho county, for the purposes of K.S.A. 12-187(b)(14), and amendments thereto, may fix such rate at 1.0% or 1.5%;

(m) the board of county commissioners of Saline county, for the purposes of K.S.A. 12-187(b)(15), and amendments thereto, may fix such rate at up to 1.5%;

(n) the board of county commissioners of Harvey county, for the purposes of K.S.A. 12-187(b)(16), and amendments thereto, may fix such rate at 2.0%;

(o) the board of county commissioners of Atchison county, for the purpose of K.S.A. 12-187(b)(17), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Atchison county on the effective date of this act plus 0.25%;

(p) the board of county commissioners of Wabaunsee county, for the purpose of K.S.A. 12-187(b)(18), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Wabaunsee county on July 1, 2007, plus 0.5%;

(q) the board of county commissioners of Jefferson county, for the purpose of K.S.A. 12-187(b)(19) and (25), and amendments thereto, may fix such rate at 2.25%;

(r) the board of county commissioners of Riley county, for the purpose of K.S.A. 12-187(b)(20), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Riley county on July 1, 2007, plus up to 1%;

(s) the board of county commissioners of Johnson county, for the purposes of K.S.A. 12-187(b)(21), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Johnson county on July 1, 2007, plus 0.25%;

(t) the board of county commissioners of Wilson county, for the purposes of K.S.A. 12-187(b)(22), and amendments thereto, may fix such rate at up to 2%;

(u) the board of county commissioners of Butler county, for the purposes of K.S.A. 12-187(b)(23), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75% or 1%;

(v) the board of county commissioners of Barton county, for the purposes of K.S.A. 12-187(b)(24), and amendments thereto, may fix such rate at up to 1.5%;

(w) the board of county commissioners of Lyon county, for the purposes of K.S.A. 12-187(b)(3)(D), and amendments thereto, may fix such rate at 1.5%;

(x) the board of county commissioners of Rawlins county, for the purposes of K.S.A. 12-187(b)(3)(E), and amendments thereto, may fix such rate at 1.75%;

(y) the board of county commissioners of Chautauqua county, for the purposes of K.S.A. 12-187(b)(3)(F), and amendments thereto, may fix such rate at 2.0%;

(z) the board of county commissioners of Pottawatomie county, for the purposes of K.S.A. 12-187(b)(26), and amendments thereto, may fix such rate at up to 1.5%;

(aa) the board of county commissioners of Kingman county, for the purposes of K.S.A. 12-187(b)(27), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75%, or 1%;

(bb) the board of county commissioners of Edwards county, for the purposes of K.S.A. 12-187(b)(28), and amendments thereto, may fix such rate at 1.375%;

(cc) the board of county commissioners of Rooks county, for the purposes of K.S.A. 12-187(b)(29), and amendments thereto, may fix such rate at up to 1.5%;

(dd) the board of county commissioners of Bourbon county, for the purposes of K.S.A. 12-187(b)(3)(G) and (b)(31), and amendments thereto, may fix such rate at up to 2.0%;

(ee) the board of county commissioners of Marion county, for the purposes of K.S.A. 12-187(b)(32), and amendments thereto, may fix such rate at 2.5%;

(ff) the board of county commissioners of Finney county, for the purposes of K.S.A. 12-187(b)(3)(H), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.3%;

(gg) the board of county commissioners of Cherokee county, for the purposes of K.S.A. 12-187(b)(3)(I), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.5%;

(hh) the board of county commissioners of Wilson county, for the purposes of K.S.A. 12-187(b)(33), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75% or 1%;

(ii) the board of county commissioners of Atchison county, for the purposes of K.S.A. 12-187(b)(34), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus up to 1%;

**and**

(jj) the board of county commissioners of Dickinson county, for the purposes of K.S.A. 12-187(b)(35), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%;

(kk) the board of county commissioners of Rawlins county, for the purposes of K.S.A. 12-187(b)(36), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus up to 1%;

(ll) the board of county commissioners of Marshall county, for the purposes of K.S.A. 12-187(b)(37), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus up to 1%; and

(mm) the board of county commissioners of Neosho county, for the purposes of K.S.A. 12-187(b)(38), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.5%.

Any county or city levying a retailers' sales tax is hereby prohibited from administering or collecting such tax locally, but shall utilize the services of the state department of revenue to administer, enforce and collect such tax. Except as otherwise specifically provided in K.S.A. 12-189a, and amendments thereto, such tax shall be identical in its application, and exemptions therefrom, to the Kansas retailers' sales tax act and all laws and administrative rules and regulations of the state department of revenue relating to the Kansas retailers' sales tax shall apply to such local sales tax insofar as such laws and rules and regulations may be made applicable. The state director of taxation is hereby authorized to administer, enforce and collect such local sales taxes and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement thereof.

Upon receipt of a certified copy of an ordinance or resolution authorizing the levy of a local retailers' sales tax, the director of taxation shall cause such taxes to be collected within or without the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state retailers' sales tax. Such copy shall be submitted to the director of taxation within 30 days after adoption of any such ordinance or resolution. The director of taxation shall confirm that all provisions of law applicable to the authorization of local sales tax have been followed prior to causing the collection. If the director of taxation discovers that a city or county did not comply with any provision of law applicable to the authorization of a local sales tax after collection has commenced, the director shall immediately notify the city or county and cease collection of such sales tax until such noncompliance is remedied. All moneys collected by the director of taxation under the provisions of this section shall be credited to a county and city retailers' sales tax fund which fund is hereby established in the state treasury, except that all moneys collected by the director of taxation pursuant to the authority granted in K.S.A. 12-187(b)(22), and amendments thereto, shall be credited to the Wilson county capital improvements fund. Any refund due on any county or city retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from collections of local retailers' sales tax revenue. Except for local retailers' sales tax revenue required to be deposited in the redevelopment bond fund established under K.S.A. 74-8927, and amendments thereto, all local retailers' sales tax revenue collected within any county or city pursuant to this act shall be apportioned and remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county or city.

Revenue that is received from the imposition of a local retailers' sales tax that exceeds the amount of revenue required to pay the costs of a special project for which such revenue was pledged shall be credited to the city or county general fund, as the case requires.

The director of taxation shall provide, upon request by a city or county clerk or treasurer or finance officer of any city or county levying a local retailers' sales tax,

monthly reports identifying each retailer doing business in such city or county or making taxable sales sourced to such city or county, setting forth the tax liability and the amount of such tax remitted by each retailer during the preceding month and identifying each business location maintained by the retailer and such retailer's sales or use tax registration or account number. Such report shall be made available to the clerk or treasurer or finance officer of such city or county within a reasonable time after it has been requested from the director of taxation. The director of taxation shall be allowed to assess a reasonable fee for the issuance of such report. Information received by any city or county pursuant to this section shall be confidential, and it shall be unlawful for any officer or employee of such city or county to divulge any such information in any manner. Any violation of this paragraph by a city or county officer or employee is a class A misdemeanor, and such officer or employee shall be dismissed from office. Reports of violations of this paragraph shall be investigated by the attorney general. The district attorney or county attorney and the attorney general shall have authority to prosecute violations of this paragraph.

Sec. 5. K.S.A. 2023 Supp. 12-192 is hereby amended to read as follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner:

(1)  $\frac{1}{2}$  of all revenue received by the director of taxation shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year; and

(2)  $\frac{1}{2}$  of all revenue received by the director of taxation from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county, except that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley county.

All revenue apportioned to a county shall be paid to its county treasurer and shall be credited to the general fund of the county.

(b) (1) In lieu of the apportionment formula provided in subsection (a), all revenue received by the director of taxation from a countywide retailers' sales tax imposed within Johnson county at the rate of 0.75%, 1% or 1.25% after July 1, 2007, shall be apportioned among the county and each city located in such county in the following manner:

(A) The revenue received from the first 0.5% rate of tax shall be apportioned in the manner prescribed by subsection (a); and

(B) the revenue received from the rate of tax exceeding 0.5% shall be apportioned as follows:

(i)  $\frac{1}{4}$  shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year;

(ii)  $\frac{1}{4}$  shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county; and

(iii)  $\frac{1}{2}$  shall be retained by the county for its sole use and benefit.

(2) In lieu of the apportionment formula provided in subsection (a), all money received by the director of taxation from a countywide sales tax imposed within Montgomery county pursuant to the election held on November 8, 1994, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged. All revenue apportioned and paid from the imposition of such tax to the treasurer of any city prior to the effective date of this act shall be remitted to the county treasurer and expended only for the purpose for which the revenue received from the tax was pledged.

(3) In lieu of the apportionment formula provided in subsection (a), on and after the effective date of this act, all moneys received by the director of taxation from a countywide retailers' sales tax imposed within Phillips county pursuant to the election held on September 20, 2005, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(c) (1) Except as otherwise provided by paragraph (2) of this subsection, for purposes of subsections (a) and (b), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is applicable to all tangible property located within each such city or county.

(2) For the purposes of subsections (a) and (b), any ad valorem property tax levied on property located in a city in Johnson county for the purpose of providing fire protection service in such city shall be included within the term "total tangible property tax levies" for such city regardless of its applicability to all tangible property located within each such city. If the tax is levied by a district which extends across city boundaries, for purposes of this computation, the amount of such levy shall be apportioned among each city in which such district extends in the proportion that such tax levied within each city bears to the total tax levied by the district.

(d) (1) All revenue received from a countywide retailers' sales tax imposed pursuant to K.S.A. 12-187(b)(2), (3)(C), (3)(F), (3)(G), (3)(I), (6), (7), (8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27), (28), (29), (30), (31), (32), (33), (34) ~~and (35), (36), (37) and (38)~~, and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(2) Except as otherwise provided in K.S.A. 12-187(b)(5), and amendments thereto, all revenues received from a countywide retailers' sales tax imposed pursuant to K.S.A. 12-187(b)(5), and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(3) All revenue received from a countywide retailers' sales tax imposed pursuant to

K.S.A. 12-187(b)(26), and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged unless the question of imposing a countywide retailers' sales tax authorized by K.S.A. 12-187(b)(26), and amendments thereto, includes the apportionment of revenue prescribed in subsection (a).

(e) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof and deposited in the general fund of the city. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax, as an alternative to depositing the same in the general fund, may be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax.

(f) Prior to March 1 of each year, the secretary of revenue shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

(g) Prior to December 31 of each year, the clerk of every county imposing a countywide retailers' sales tax shall provide such information deemed necessary by the secretary of revenue to apportion and remit revenue to the counties and cities pursuant to this section.

(h) The provisions of subsections (a) and (b) for the apportionment of countywide retailers' sales tax shall not apply to any revenues received pursuant to a county or countywide retailers' sales tax levied or collected under K.S.A. 74-8929, and amendments thereto. All such revenue collected under K.S.A. 74-8929, and amendments thereto, shall be deposited into the redevelopment bond fund established by K.S.A. 74-8927, and amendments thereto, for the period of time set forth in K.S.A. 74-8927, and amendments thereto.

Sec. 6. K.S.A. 2023 Supp. 74-2433f is hereby amended to read as follows: 74-2433f. (a) There shall be a division of the state board of tax appeals known as the small claims and expedited hearings division. Hearing officers appointed by the chief hearing officer shall have authority to hear and decide cases heard in the small claims and expedited hearings division.

(b) The small claims and expedited hearings division shall have jurisdiction over hearing and deciding applications for the refund of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, and hearing and deciding appeals from decisions rendered pursuant to the provisions of K.S.A. 79-1448, and amendments thereto, and of article 16 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, with regard to single-family residential property. The filing of an appeal with the small claims and expedited hearings division shall be a prerequisite for filing an appeal with the state board of tax appeals for appeals involving single-family residential property.

(c) At the election of the taxpayer, the small claims and expedited hearings division shall have jurisdiction over: (1) Any appeal of a decision, finding, order or ruling of the director of taxation, except an appeal, finding, order or ruling relating to an assessment issued pursuant to K.S.A. 79-5201 et seq., and amendments thereto, in which the amount of tax in controversy does not exceed \$15,000; (2) hearing and deciding

applications for the refund of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, where the value of the property, other than property devoted to agricultural use, is less than \$3,000,000 as reflected on the valuation notice; and (3) hearing and deciding appeals from decisions rendered pursuant to the provisions of K.S.A. 79-1448, and amendments thereto, and of article 16 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, other than those relating to land devoted to agricultural use, wherein the value of the property is less than \$3,000,000 as reflected on the valuation notice.

(d) In accordance with the provisions of K.S.A. 74-2438, and amendments thereto, any party may elect to appeal any application or decision referenced in subsection (b) to the state board of tax appeals. Except as provided in subsection (b) regarding single-family residential property, the filing of an appeal with the small claims and expedited hearings division shall not be a prerequisite for filing an appeal with the state board of tax appeals under this section. Final decisions of the small claims and expedited hearings division may be appealed to the state board of tax appeals. An appeal of a decision of the small claims and expedited hearings division to the state board of tax appeals shall be de novo. The county bears the burden of proof in any appeal filed by the county pursuant to this section. With regard to any matter properly submitted to the board relating to the determination of valuation of property for taxation purposes pursuant to this subsection, the board shall not increase the appraised valuation of the property to an amount greater than the final determination of appraised value by the county appraiser from which the taxpayer appealed to the small claims and expedited hearings division.

(e) A taxpayer shall commence a proceeding in the small claims and expedited hearings division by filing a notice of appeal in the form prescribed by the rules of the state board of tax appeals which shall state the nature of the taxpayer's claim. The notice of appeal may be signed by the taxpayer, any person with an executed declaration of representative form from the property valuation division of the department of revenue or any person authorized to represent the taxpayer in subsection (f). Notice of appeal shall be provided to the appropriate unit of government named in the notice of appeal by the taxpayer. In any valuation appeal or tax protest commenced pursuant to articles 14 and 20 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, ~~the hearing shall be conducted in the county where the property is located or a county adjacent thereto. In~~ or any appeal from a final determination by the secretary of revenue, the hearing ~~shall~~ may be conducted ~~in the county in which the taxpayer resides or a county adjacent thereto~~ by teleconference or video conference as directed by the chief hearing officer or a designee.

(f) The hearing in the small claims and expedited hearings division shall be informal. The hearing officer may hear any testimony and receive any evidence the hearing officer deems necessary or desirable for a just determination of the case. A hearing officer shall have the authority to administer oaths in all matters before the hearing officer. All testimony shall be given under oath. A party may appear personally or may be represented by an attorney, a certified public accountant, a certified general appraiser, a tax representative or agent, a member of the taxpayer's immediate family or an authorized employee of the taxpayer. A county or unified government may be represented by the county appraiser, designee of the county appraiser, county attorney or counselor or other representatives so designated. No transcript of the proceedings

shall be kept.

(g) The hearing in the small claims and expedited hearings division shall be conducted within 60 days after the appeal is filed in the small claims and expedited hearings division unless such time period is waived by the taxpayer. A decision shall be rendered by the hearing officer within 30 days after the hearing is concluded and, in cases arising from appeals described by subsections (b) and (c)(2) and (3), shall be accompanied by a written explanation of the reasoning upon which such decision is based. Documents provided by a taxpayer or county or district appraiser shall be returned to the taxpayer or the county or district appraiser by the hearing officer and shall not become a part of the board's permanent records. Documents provided to the hearing officer shall be confidential and may not be disclosed, except as otherwise specifically provided.

(h) With regard to any matter properly submitted to the division relating to the determination of valuation of property for taxation purposes, it shall be the duty of the county appraiser to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity and correctness of such determination. No presumption shall exist in favor of the county appraiser with respect to the validity and correctness of such determination. With regard to leased commercial and industrial property, the burden of proof shall be on the taxpayer unless the taxpayer has furnished the county or district appraiser, within 30 calendar days following the informal meeting required by K.S.A. 79-1448, and amendments thereto, or within 30 calendar days following the informal meeting required by K.S.A. 79-2005, and amendments thereto, a complete income and expense statement for the property for the three years next preceding the year of appeal. Such income and expense statement shall be in such format that is regularly maintained by the taxpayer in the ordinary course of the taxpayer's business. If the taxpayer submits a single property appraisal with an effective date of January 1 of the year appealed, the burden of proof shall return to the county appraiser. With regard to any matter properly submitted to the division relating to the determination of valuation of property for taxation purposes, the hearing officer shall not increase the appraised valuation of the property to an amount greater than the final determination of appraised value by the county appraiser from which the taxpayer appealed.

Sec. 7. K.S.A. 79-257 is hereby amended to read as follows: 79-257. The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

(a) All electric generation facilities described in ~~subsection (e) of~~ K.S.A. 66-104(e), and amendments thereto.

(b) The provisions of subsection (a) shall apply:

(1) Except as provided in paragraph (2), from and after commencement of construction of such property and for the 12 taxable years immediately following the taxable year in which construction of such property is completed; or

(2) for peak load plants, from and after commencement of construction of such property and for the six taxable years immediately following the taxable year in which construction of such property is completed.

(c) All pollution control devices purchased for or constructed or installed at electric generation facilities described in ~~subsection (e) of~~ K.S.A. 66-104(e), and amendments thereto.

(d) The provisions of subsection (c) shall apply:

(1) Except as provided in paragraph (2), from and after purchase or commencement of construction or installation of such property and for the 12 taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed; or

(2) for a peak load plant, from and after purchase or commencement of construction or installation of such property and for the six taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed.

(e) The provisions of this section shall apply to all taxable years commencing after December 31, 2000, but only to property for which the applicant filed an application for exemption pursuant to this section on or before December 31, 2024. No application for exemption pursuant to this section shall be filed after December 31, 2024.

Sec. 8. K.S.A. 79-258 is hereby amended to read as follows: 79-258. The following described property, to the extent herein specified, shall be exempt from all property taxes levied under the laws of the state of Kansas:

(a) All electric generation facilities and additions to electric generation facilities described in ~~subsection (b)(2)(C) of K.S.A. 66-128(b)(2)(C)~~, and amendments thereto.

(b) The provisions of subsection (a) shall apply: (1) Except as provided in paragraph (2), from and after commencement of construction of such property and for the 10 taxable years immediately following the taxable year in which construction of such property is completed; or (2) for a peak load plant, from and after commencement of construction of such peak load plant and for the four taxable years immediately following the taxable year in which construction of such property is completed.

(c) All pollution control devices purchased for or constructed or installed at electric generation facilities described in ~~subsection (b)(2)(C) of K.S.A. 66-128(b)(2)(C)~~, and amendments thereto.

(d) The provisions of subsection (c) shall apply:

(1) Except as provided in paragraph (2), from and after purchase or commencement of construction or installation of such property and for the 10 taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed; or

(2) for a peak load plant, from and after purchase or commencement of construction or installation of such property and for the four taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed.

(e) As used in this section, "peak load plant" means an electric generation facility used during maximum load periods.

(f) The provisions of this section shall apply to all taxable years commencing after December 31, 2000, but only to property for which the applicant filed an application for exemption pursuant to this section on or before December 31, 2024. No application for exemption pursuant to this section shall be filed after December 31, 2024.

Sec. 9. K.S.A. 79-306 is hereby amended to read as follows: 79-306. On or before March 15 of each year, or the next following business day if such date falls on a day other than a regular business day, every person, association, company or corporation required by this act to list property shall make and personally sign a statement listing all tangible personal property which by this act such person is required to list, either as the

owner thereof, or as parent, guardian, trustee, executor, administrator, receiver, accounting officer, partner or agent, as the case may be, and deliver the same to the county appraiser of the county where such property has its situs for the purpose of taxation. In addition to the foregoing requirements, any such statement prepared by a personal property tax rendition form preparer shall be certified as true and correct by such preparer's signature. If a person has filed an initial statement listing property with the county appraiser pursuant to this section, no subsequent annual statement shall be required to be filed with the county appraiser regarding such property unless there is a change to report relating to the property previously listed or the statement.

Sec. 10. K.S.A. 79-332a is hereby amended to read as follows: 79-332a. (a) Any person, corporation or association owning oil and gas leases or engaged in operating for oil or gas who fails to make and file a statement of assessment on or before April 1 shall be subject to a penalty as follows:

(1) The appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add ~~5%~~ 2% thereto as a penalty for late filing if the failure is not for more than one month, with an additional ~~5%~~ 2% for each additional month or fraction thereof during which such failure continues, not exceeding ~~25%~~ 10% in the aggregate.

(2) If the statement of assessment is filed more than one year from April 1, the appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add ~~50%~~ 12.5% thereto as a penalty for late filing. The county treasurer may not distribute any taxes assessed under this section and paid under protest by the taxpayer pursuant to K.S.A. 79-2005, and amendments thereto, until such time as the appeal is final.

(b) For good cause shown the county appraiser may extend the time in which to make and file such statement. Such request for extension of time shall be in writing and shall be received by the county appraiser prior to the due date of the statement of assessment.

(c) Whenever any person, corporation or association owning oil and gas leases or engaged in operating for oil or gas shall fail to make and deliver to the county appraiser of every county wherein the property to be assessed is located, a full and complete statement of assessment relative to such property as required by blank forms prepared or approved for the purpose by the director of property valuation to elicit the information necessary to fix the valuation of the property, the appraiser shall ascertain the assessed value of the property of such taxpayer, and shall add ~~50%~~ 12.5% thereto as a penalty for failing to file such statement.

(d) The state board of tax appeals shall have the authority to abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person, corporation or association required to make and file the statement of assessment is shown, or whenever the property for which a statement of assessment was not filed as required by law is repossessed, judicially or otherwise, by a secured creditor and such secured creditor pays the taxes and interest due.

Sec. 11. K.S.A. 79-1422 is hereby amended to read as follows: 79-1422. (a) Any person required to file a statement listing property for assessment and taxation purposes under the provisions of this act who fails to make and file such statement on or before the date prescribed by K.S.A. 79-306, and amendments thereto, shall be subject to a penalty as follows:

The appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add ~~5%~~ 2% thereto as a penalty for late filing if the failure is not for more than one month, with an additional ~~5%~~ 2% for each additional month or fraction thereof during which such failure continues, not exceeding ~~25%~~ 10% in the aggregate.

For good cause shown the appraiser ~~may~~ shall extend ~~the~~ a reasonable amount of time in which to make and file such statement. Such request for extension of time must be in writing and shall state just and adequate reasons on which the request ~~may~~ shall be granted. ~~The request must be received by the appraiser prior to the due date of the statement. For purposes of this section, on and after January 1, 2022, good cause for granting an extension of time in which to make and file a statement listing property for assessment and taxation purposes shall include, but not be limited to, the previous classification of the property as real property or as a fixture to real property. Such previous classification shall specifically include, but not be limited to, machinery and equipment used in the grain storage and processing industry, ethanol processing industry or other biofuels processing industry that had been previously classified as real property or fixtures to real property.~~

(b) If, within one year following the date prescribed by K.S.A. 79-306, and amendments thereto, any person shall fail to make and file the statement listing property for assessment and taxation purposes or shall fail to make and file a full and complete statement listing property for such purposes, the appraiser shall proceed to ascertain the assessed value of the property of such taxpayer, and for this purpose the appraiser may examine under oath any person or persons whom the appraiser deems to have knowledge thereof. The appraiser shall, after having ascertained the assessed value of such property, add ~~50%~~ 12.5% thereto as a penalty for failure to file such statement or for failure to file a full and complete statement.

(c) The state board of tax appeals or the county appraiser shall ~~have the authority to~~ abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property for which a statement of assessment was not filed as required by law is repossessed, judicially or otherwise, by a secured creditor and such secured creditor pays the taxes and interest due. For purposes of this section, on and after January 1, 2022, excusable neglect for the failure to make and file a statement listing property for assessment and taxation purposes shall include, but not be limited to, the previous classification of the property as real property or as a fixture to real property. Such previous classification shall specifically include, but not be limited to, machinery and equipment used in the grain storage and processing industry, ethanol processing industry or other biofuels processing industry that had been previously classified as real property or fixtures to real property.

Sec. 12. K.S.A. 79-1427a is hereby amended to read as follows: 79-1427a. (a) If, the county appraiser discovers, after the tax roll has been certified to the county clerk, that any tangible personal property subject to taxation has been omitted from the tax rolls, the county clerk shall place such property on the tax roll as an added tax, or if, after one year from the date prescribed by K.S.A. 79-306, and amendments thereto, for the listing of tangible personal property, the county appraiser discovers that any tangible personal property ~~which that~~ was subject to taxation in any year or years within two years next preceding January 1 of the calendar year in which it was discovered has not

been listed or has been underreported for whatever reason, such property shall be deemed to have escaped taxation. In the case of property ~~which that~~ has not been listed, it shall be the duty of the county appraiser to list and appraise such property and, for an added tax, add penalties as prescribed in K.S.A. 79-1422, and amendments thereto, and ~~which that~~ shall be designated on the appraisal roll as an added appraisal for that year. In the case of property ~~which that~~ has escaped taxation, it shall be the duty of the county appraiser to list and appraise such property and add ~~50%~~ 12.5% thereto as a penalty for escaping taxation for each such year during which such property was not listed, and it shall be designated on the appraisal roll as "escaped appraisal" for each such preceding year or years. In the case of property ~~which that~~ has been listed but underreported, it shall be the duty of the county appraiser to list and appraise the underreported portion of such property and add ~~50%~~ 12.5% thereto as a penalty for escaping taxation for each such year during which such property was underreported, and it shall be designated on the appraisal roll as "escaped appraisal" for each such preceding year or years. The county clerk, upon receipt of the valuation for such property in either of the aforementioned cases, shall place such property on the tax rolls and compute the amount of tax due based upon the mill levy for the year or years in which such tax should have been levied, and shall certify such amount to the county treasurer as an added or escaped appraisal. The amount of such tax shall be due immediately and payable within 45 days after the issuance of an additional or escaped property tax bill by the county treasurer. The county treasurer may not distribute any taxes assessed under this section and paid under protest by the taxpayer pursuant to K.S.A. 79-2005, and amendments thereto, until such time as the appeal is final. No interest shall be imposed unless the tax remains unpaid after such 45-day period. Taxes levied pursuant to this section ~~which that~~ remain unpaid after such 45-day period shall be deemed delinquent and the county treasurer shall collect and distribute such tax in the same manner as prescribed by law for the collection and distribution of other taxes levied upon property ~~which that~~ are delinquent. If the owner of such property is deceased, taxes charged as herein provided shall be levied against the estate of such deceased person for only two calendar years preceding death and shall be paid by the legal representative or representatives of such estate. In the event that such escaped appraisal is due to any willful or clerical error of the county appraiser, such property shall be appraised at its fair market value and no penalty shall be added.

(b) A taxpayer with a grievance as to any penalty applied pursuant to the provisions of this section, may appeal to the state board of tax appeals on forms prepared by the state board of tax appeals and provided by the county appraiser. The state board of tax appeals shall have the authority to abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property ~~which that~~ has been deemed to have escaped taxation is repossessed, judicially or otherwise, by a secured creditor and such creditor pays the taxes and interest due. No interest shall be assessed during the pendency of this appeal.

(c) The provisions of this section shall apply to any tangible personal property discovered during the calendar years 1982, 1983, 1984 and any year thereafter to have escaped appraisal and taxation during any such year or any year within two years next preceding any such year.

Sec. 13. K.S.A. 2023 Supp. 79-1476 is hereby amended to read as follows: 79-1476. (a) The director of property valuation is hereby directed and empowered to administer and supervise a statewide program of reappraisal of all real property located within the state. Except as otherwise authorized by K.S.A. 19-428, and amendments thereto, each county shall comprise a separate appraisal district under such program, and the county appraiser shall have the duty of reappraising all of the real property in the county pursuant to guidelines and timetables prescribed by the director of property valuation and of updating the same on an annual basis. In the case of multi-county appraisal districts, the district appraiser shall have the duty of reappraising all of the real property in each of the counties comprising the district pursuant to such guidelines and timetables and of updating the same on an annual basis. Commencing in 2000, every parcel of real property shall be actually viewed and inspected by the county or district appraiser once every six years.

~~Compilation of data for the initial preparation or updating of inventories for each parcel of real property and entry thereof into the state computer system as provided for in K.S.A. 79-1477, and amendments thereto, shall be completed not later than January 1, 1989. Whenever the director determines that reappraisal of all real property within a county is complete, notification thereof shall be given to the governor and to the state board of tax appeals.~~

(b) Valuations shall be established for each parcel of real property at its fair market value in money in accordance with the provisions of K.S.A. 79-503a, and amendments thereto.

~~In addition thereto, (c) (1) Valuations shall be established for each parcel of land devoted to agricultural use upon the basis of the agricultural income or productivity attributable to the inherent capabilities of such land in its current usage under a degree of management reflecting median production levels in the manner hereinafter provided. A classification system for all land devoted to agricultural use shall be adopted by the director of property valuation using criteria established by the United States department of agriculture natural resources conservation service.~~

(A) For all taxable years commencing after December 31, 1999, all land devoted to agricultural use that is subject to the federal conservation reserve program shall be classified as cultivated dry land for the purpose of valuation for property tax purposes pursuant to this section, except that for all taxable years commencing after December 31, 2022, all land devoted to agricultural use that is subject to the federal grassland conservation reserve program (CRP grasslands) shall be classified as grassland for the purpose of valuation for property tax purposes pursuant to this section.

(B) For all taxable years commencing after December 31, 1999, all land devoted to agricultural use that is subject to the federal wetlands reserve program shall be classified as native grassland for the purpose of valuation for property tax purposes pursuant to this section.

(2) Productivity of land devoted to agricultural use shall be determined for all land classes within each county or homogeneous region based on an average of the eight calendar years immediately preceding the calendar year that immediately precedes the year of valuation, at a degree of management reflecting median production levels. The director of property valuation shall determine median production levels based on information available from state and federal crop and livestock reporting services, the natural resources conservation service, and any other sources of data that the director

considers appropriate.

(d) The share of net income from land in the various land classes within each county or homogeneous region that is normally received by the landlord shall be used as the basis for determining agricultural income for all land devoted to agricultural use except pasture or rangeland. The net income normally received by the landlord from such land shall be determined by deducting expenses normally incurred by the landlord from the share of the gross income normally received by the landlord. The net rental income normally received by the landlord from pasture or rangeland within each county or homogeneous region shall be used as the basis for determining agricultural income from such land. The net rental income from pasture and rangeland that is normally received by the landlord shall be determined by deducting expenses normally incurred from the gross income normally received by the landlord. Commodity prices, crop yields and pasture and rangeland rental rates and expenses shall be based on an average of the eight calendar years immediately preceding the calendar year that immediately precedes the year of valuation. Net income for every land class within each county or homogeneous region shall be capitalized at a rate determined to be the sum of the contract rate of interest on new federal land bank loans in Kansas on July 1 of each year averaged over a five-year period that includes the five years immediately preceding the calendar year which immediately precedes the year of valuation, plus a percentage not less than 0.75% nor more than 2.75%, as determined by the director of property valuation, except that the capitalization rate calculated for property tax year 2003, and all such years thereafter, shall not be less than 11% nor more than 12%.

(e) ~~Based on the foregoing procedures provided in this section,~~ the director of property valuation shall make an annual determination of the value of land within each of the various classes of land devoted to agricultural use within each county or homogeneous region and furnish the same to the several county appraisers who shall classify such land according to its current usage and apply the value applicable to such class of land according to the valuation schedules prepared and adopted by the director of property valuation under the provisions of this section.

(f) It is the intent of the legislature that appraisal judgment and appraisal standards be followed and incorporated throughout the process of data collection and analysis and establishment of values pursuant to this section.

~~For the purpose of the foregoing provisions of (g) As used in this section, the phrase:~~

(1) (A) ~~"Land devoted to agricultural use" shall mean~~ means ~~and include~~ includes land, regardless of whether it is located in the unincorporated area of the county or within the corporate limits of a city, that is devoted to the production of plants, animals or horticultural products, including, but not limited to: Forages; grains and feed crops; dairy animals and dairy products; poultry and poultry products; beef cattle, sheep, swine and horses; bees and apiary products; trees and forest products; fruits, nuts and berries; vegetables; and nursery, floral, ornamental and greenhouse products.

(B) ~~"Land devoted to agricultural use" shall include~~ includes land;

(i) Established as a controlled shooting area pursuant to K.S.A. 32-943, and amendments thereto, which shall be deemed to be land devoted to agricultural use-~~"Land devoted to agricultural use" shall include land;~~

(ii) ~~that is utilized by zoos that hold a valid class C exhibitor license issued by the United States department of agriculture. "Land devoted to agricultural use" shall~~

include land; and

(iii) for all taxable years commencing after December 31, 2020, that is otherwise devoted to the production of plants, animals or horticultural products that is incidentally used for agritourism activity utilized as part of a registered agritourism activity at a registered agritourism location by a registered agritourism operator pursuant to K.S.A. 32-1432, and amendments thereto, including, but not limited to, all land and buildings, whether permanent or temporary, that are utilized for such agritourism activity. For purposes of this clause, the selling of any items, products, services or merchandise associated with the registered agritourism activity by a registered agritourism operator that includes, but is not limited to, point of sales from either land or buildings, shall not change the classification of the agricultural land or buildings as a result of such sales. For purposes of this section;

(2) "Agritourism activity" means any activity that allows members of the general public, for recreational, entertainment or educational purposes, to view or enjoy rural activities, including, but not limited to, farming activities, ranching activities or historic, cultural or natural attractions. An activity may be an "agritourism activity" whether or not the participant pays to participate in the activity. An activity is not an "agritourism activity" if the participant is paid to participate in the activity.

(h) If a parcel has land devoted to agricultural purposes and land used for suburban residential acreages, rural home sites or farm home sites, the county appraiser shall determine the amount of the parcel used for agricultural purposes and value and assess it accordingly as land devoted to agricultural purposes. The county appraiser shall then determine the amount of the remaining land used for such other purposes and value and assess that land according to its use.

(i) The term "expenses" shall mean means those expenses typically incurred in producing the plants, animals and horticultural products described above, including management fees, production costs, maintenance and depreciation of fences, irrigation wells, irrigation laterals and real estate taxes, but the term shall "Expenses" does not include those expenses incurred in providing temporary or permanent buildings used in the production of such plants, animals and horticultural products.

(j) The provisions of this act section shall not be construed to conflict with any other provisions of law relating to the appraisal of tangible property for taxation purposes including the equalization processes of the county and state board of tax appeals.

Sec. 14. K.S.A. 79-1496 is hereby amended to read as follows: 79-1496. Within 60 days after the date the notice of informal meeting results or final determination is mailed to the taxpayer pursuant to K.S.A. 79-1448, and amendments thereto, any taxpayer aggrieved by the final determination of the county appraiser, who has not filed an appeal with the board of tax appeals pursuant to K.S.A. 74-2433f, 79-1448, 79-1609 or 79-1611, and amendments thereto, may file with the county appraiser a third-party fee simple appraisal performed by a Kansas certified general real property appraiser that reflects the value of the property as of January 1 for the same tax year being appealed. For determinations and appeals relating to residential property pursuant to this section, a taxpayer may file with the county appraiser a third-party fee simple appraisal performed by either a Kansas certified residential real property appraiser or a Kansas certified general real property appraiser that reflects the value of the property as of January 1 for the same tax year being appealed. Within 15 days after receipt of the appraisal, the

county appraiser shall review and consider such appraisal in the determination of valuation or classification of the taxpayer's property and mail a supplemental notice of final determination. If the final determination is not in favor of the taxpayer then the county appraiser shall notify the taxpayer that the county is required to perform its own, or commission a fee simple single property appraisal. The county appraiser shall then have 90 days to furnish that appraisal along with a new supplemental notice of determination and if not in favor of the taxpayer include an explanation of the reasons the county appraiser did not rely upon the taxpayer's fee simple single property appraisal. Whenever a taxpayer submits a fee simple single property appraisal the burden of proof shall be on the county appraiser to dispute the value of that appraisal. Any taxpayer aggrieved by the final determination of the county appraiser may appeal to the state board of tax appeals as provided in K.S.A. 79-1609, and amendments thereto, within 30 days subsequent to the date of mailing of the supplemental notice of final determination.

Sec. 15. K.S.A. 2023 Supp. 79-2988 is hereby amended to read as follows: 79-2988. (a) On or before June 15 each year, the county clerk shall calculate the revenue neutral rate for each taxing subdivision and include such revenue neutral rate on the notice of the estimated assessed valuation provided to each taxing subdivision for budget purposes. The director of accounts and reports shall modify the prescribed budget information form to show the revenue neutral rate.

(b) Except as otherwise provided in this section, no tax rate in excess of the revenue neutral rate shall be levied by the governing body of any taxing subdivision unless a resolution or ordinance has been approved by the governing body according to the following procedure:

(1) At least 10 days in advance of the public hearing, the governing body shall publish notice of its proposed intent to exceed the revenue neutral rate by publishing notice:

(A) On the website of the governing body, if the governing body maintains a website; and

(B) in a weekly or daily newspaper of the county having a general circulation therein. The notice shall include, but not be limited to, its proposed tax rate, its revenue neutral rate and the date, time and location of the public hearing.

(2) On or before July 20, the governing body shall notify the county clerk of its proposed intent to exceed the revenue neutral rate and provide the date, time and location of the public hearing and its proposed tax rate. For all tax years commencing after December 31, 2021, the county clerk shall notify each taxpayer with property in the taxing subdivision, by mail directed to the taxpayer's last known address, of the proposed intent to exceed the revenue neutral rate at least 10 days in advance of the public hearing. Alternatively, the county clerk may transmit the notice to the taxpayer by electronic means at least 10 days in advance of the public hearing, if such taxpayer and county clerk have consented in writing to service by electronic means. The county clerk is not required to send a notice to a property owner of property that is exempt from ad valorem taxation. The county clerk shall consolidate the required information for all taxing subdivisions relevant to the taxpayer's property on one notice. The notice shall be in a format prescribed by the director of accounts and reports. The notice shall include, but not be limited to:

(A) ~~The revenue neutral rate of each taxing subdivision relevant to the taxpayer's~~

property;

(B) the proposed property tax revenue needed to fund the proposed budget of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate;

(C) the proposed tax rate based upon the proposed budget and the current year's total assessed valuation of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate;

(D) the percentage by which the proposed tax rate exceeds the revenue neutral rate;

(E) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement;

(F) the appraised value and assessed value of the taxpayer's property for the current year;

(G) the estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates;

(H) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate on the taxpayer's property described in subparagraph (G) for any taxing subdivision that has a proposed tax rate that exceeds its revenue neutral rate; and

(I) the date, time and location of the public hearing of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate. The following heading:

"NOTICE OF PROPOSED PROPERTY TAX INCREASE AND PUBLIC HEARINGS

[Current year] [County name] County Revenue Neutral Rate Notice

This is NOT a bill. Do not remit payment.";

(B) the following statement:

"This notice contains estimates of the tax on your property and proposed property tax increases. THE ACTUAL TAX ON YOUR PROPERTY MAY INCREASE OR DECREASE FROM THESE ESTIMATES. Governing bodies of taxing subdivisions must vote in order to exceed the Revenue Neutral Rate to increase the total property taxes collected. Governing bodies will vote at public hearings at the dates, times and locations listed. Taxpayers may attend and comment at the hearings. Property tax statements will be issued after mill rates are finalized and taxes are calculated.";

(C) the appraised value and assessed value of the taxpayer's property for the current year and the previous year;

(D) the amount of property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement in a column titled: "[Previous year] Tax";

(E) the estimated amount of property tax for the current year of each taxing subdivision on the taxpayer's property based on the revenue neutral rate of each taxing subdivision in a column titled: "[Current year] Tax at Revenue Neutral Rate";

(F) the estimated amount of property tax for the current year of each taxing subdivision on the taxpayer's property based on either: (i) The revenue neutral rate for a taxing subdivision that does not intend to exceed its revenue neutral rate; or (ii) the proposed tax rate provided by the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate in a column

titled: "[Current year] Maximum Tax";

(G) the difference between the amount of the current year's maximum tax and the previous year's tax, reflected in dollars and a percentage, for each taxing subdivision in a column titled: "[Current year] Maximum Tax Exceeding [Previous year] Tax";

(H) the date, time and location of the public hearing of each taxing subdivision that notified the county clerk of its proposed intent to exceed its revenue neutral rate in a column titled: "Date, Time and Location of Public Hearing"; and

(I) for each taxing subdivision public hearing listed pursuant to subparagraph (H), the difference between the current year's maximum tax and the estimated amount of property tax based on the revenue neutral rate of such taxing subdivision in a column titled: "[Current year] Maximum Tax Exceeding Tax at Revenue Neutral Rate".

Although the state of Kansas is not a taxing subdivision for purposes of this section, the notice shall include ~~a statement of the statutory mill levies imposed by the state~~ the previous year's tax amount and the estimate of the tax for the current year on the taxpayer's property based on ~~such the statutory mill levies~~.

(3) The public hearing to consider exceeding the revenue neutral rate shall be held not sooner than August 20 and not later than September 20. The governing body shall provide interested taxpayers desiring to be heard an opportunity to present oral testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment. The public hearing may be conducted in conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929, and amendments thereto, if the governing body otherwise complies with all requirements of this section. Nothing in this section shall be construed to prohibit additional public hearings that provide additional opportunities to present testimony or public comment prior to the public hearing required by this section.

(4) A majority vote of the governing body, by the adoption of a resolution or ordinance to approve exceeding the revenue neutral rate, shall be required prior to adoption of a proposed budget that will result in a tax rate in excess of the revenue neutral rate. Such vote of the governing body shall be conducted at the public hearing and on the same day as the commencement of the public hearing after the governing body has heard from interested taxpayers and shall be a roll call vote. If the governing body approves exceeding the revenue neutral rate, the governing body shall not adopt a budget that results in a tax rate in excess of its proposed tax rate as stated in the notice provided pursuant to this section. A copy of the resolution or ordinance to approve exceeding the revenue neutral rate and a certified copy of any roll call vote reporting, at a minimum, the name and vote of each member of the governing body related to exceeding the revenue neutral rate, whether approved or not, shall be included with the adopted budget, budget certificate and other budget forms filed with the county clerk and the director of accounts and reports and shall be published on the website of the department of administration.

(c) (1) Any governing body subject to the provisions of this section that does not comply with subsection (b) shall refund to taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

(2) Any taxpayer of the taxing subdivision that is the subject of the complaint or such taxpayer's duly authorized representative may file a complaint with the state board of tax appeals by filing a written complaint, on a form prescribed by the board, that contains the facts that the complaining party believes show that a governing body of a

taxing subdivision did not comply with the provisions of subsection (b) and that a reduction or refund of taxes is appropriate. The complaining party shall provide a copy of such complaint to the governing body of the taxing subdivision making the levy that is the subject of the complaint. Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee shall be charged by the executive director of the state board of tax appeals for a complaint filed pursuant to this paragraph. The governing body of the taxing subdivision making the levy that is the subject of the complaint shall be a party to the proceeding. Notice of any summary proceeding or hearing shall be served upon such governing body, the county clerk, the director of accounts and reports and the complaining party. It shall be the duty of the governing body to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity of such levy. If upon a summary proceeding or hearing, it shall be made to appear to the satisfaction of the board that the governing body of the taxing subdivision did not comply with subsection (b), the state board of tax appeals shall order such governing body to refund to taxpayers the amount of property taxes over collected or reduce the taxes levied, if uncollected. The provisions of this paragraph shall not be construed as prohibiting any other remedies available under the law.

(d) On and after January 1, 2022, in the event that the 20 mills levied by a school district pursuant to K.S.A. 72-5142, and amendments thereto, increases the property tax revenue generated for the purpose of calculating the revenue neutral rate from the previous tax year and such amount of increase in revenue generated from the 20 mills is the only reason the school district would exceed the total property tax revenue from the prior year, the school district shall be deemed to not have exceeded the revenue neutral rate in levying a tax rate in excess of the revenue neutral rate to take into account the increase in revenue from only the 20 mills.

(e) (1) Notwithstanding any other provision of law to the contrary, if the governing body of a taxing subdivision must conduct a public hearing to approve exceeding the revenue neutral rate under this section, the governing body of the taxing subdivision shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied.

(2) If a governing body of a taxing subdivision did not comply with the provisions of subsection (b) and certifies to the county clerk an amount of ad valorem tax to be levied that would result in a tax rate in excess of its revenue neutral rate, the county clerk shall reduce the ad valorem tax to be levied to the amount resulting from such taxing subdivision's revenue neutral rate.

(f) As used in this section:

(1) "Taxing subdivision" means any political subdivision of the state that levies an ad valorem tax on property.

(2) "Revenue neutral rate" means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation. To calculate the revenue neutral rate, the county clerk shall divide the property tax revenue for such taxing subdivision levied for the previous tax year by the total of all taxable assessed valuation in such taxing subdivision for the current tax year, and then multiply the quotient by 1,000 to express the rate in mills. The revenue neutral rate shall be expressed to the third decimal place.

(g) In the event that a county clerk incurred costs of printing and postage that were not reimbursed pursuant to K.S.A. 2023 Supp. 79-2989, and amendments thereto, such

county clerk may seek reimbursement from all taxing subdivisions required to send the notice. Such costs shall be shared proportionately by all taxing subdivisions that were included on the same notice based on the total property tax levied by each taxing subdivision. Payment of such costs shall be due to the county clerk by December 31.

(h) The department of administration or the director of accounts and reports shall make copies of adopted budgets, budget certificates, other budget documents and revenue neutral rate documents available to the public on the department of administration's website on a permanently accessible web page that may be accessed via a conspicuous link to that web page placed on the front page of the department's website. The department of administration or the director of accounts and reports shall also make the following information for each tax year available on such website:

- (1) A list of taxing subdivisions by county;
- (2) whether each taxing subdivision conducted a hearing to consider exceeding its revenue neutral rate;
- (3) the revenue neutral rate of each taxing subdivision;
- (4) the tax rate resulting from the adopted budget of each taxing subdivision; and
- (5) the percent change between the revenue neutral rate and the tax rate for each taxing subdivision.

(i) Notwithstanding any provisions to the contrary, in the event any governing body does not comply with the provisions of subsection (b) because such governing body did not intend to exceed its revenue neutral rate but the final taxable assessed valuation of such taxing subdivision used to calculate the actual tax levy is less than the estimated assessed valuation used to calculate the revenue neutral rate, such governing body shall be permitted to levy a tax rate that generates the same amount of property tax revenue as levied the previous year or less.

Sec. 16. K.S.A. 2023 Supp. 79-2989 is hereby amended to read as follows: 79-2989. (a) For calendar years ~~2022 and 2023~~ and 2024, if a county clerk has printing or postage costs pursuant to K.S.A. 2023 Supp. 79-2988, and amendments thereto, the county clerk shall notify and provide documentation of such costs to the secretary of revenue. The secretary of revenue shall certify the amount of moneys attributable to such costs and shall transmit a copy of such certification to the director of accounts and reports. Upon such receipt of such certification, the director of accounts and reports shall transfer an amount of moneys equal to such certified amount from the state general fund to the taxpayer notification costs fund of the department of revenue. The secretary of revenue shall transmit a copy of each such certification to the director of legislative research and the director of the budget.

(b) There is hereby established in the state treasury the taxpayer notification costs fund that shall be administered by the secretary of revenue. All expenditures from the taxpayer notification costs fund shall be for the purpose of paying county printing and postage costs pursuant to K.S.A. 2023 Supp. 79-2988, and amendments thereto. All expenditures from such fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of revenue or the secretary's designee.

Sec. 17. K.S.A. 79-32,107 is hereby amended to read as follows: 79-32,107. (a) All penalties and interest prescribed by K.S.A. 79-3228, and amendments thereto, for noncompliance with the income tax laws of Kansas shall be applicable for noncompliance with the provisions of the Kansas withholding and declaration of

estimated tax act relating to withholding tax which shall be enforced in the same manner as the Kansas income tax act. A penalty at the same rate per annum prescribed by ~~subsection (b)~~ of K.S.A. 79-2968**(b)**, and amendments thereto, for interest upon delinquent or unpaid taxes shall be applied and added to a taxpayer's amount of underpayment of estimated tax due from the date the estimated tax payment was due until the same is paid or until the 15<sup>th</sup> day of the fourth month following the close of the taxable year for which such estimated tax is a credit, whichever date is earlier, but such penalty shall not be added if the total amount thereof does not exceed \$1. For purposes of this subsection, the amount of underpayment of estimated tax shall be the excess of the amount of the installment which would be required to be paid if the estimated tax were equal to 90% of the tax shown on the return for the taxable year or, if no return was filed, 90% of the tax for such year, over the amount, if any, of the installment paid on or before the last date prescribed for payment. Amounts due from any employer on account of withholding or from any taxpayer for estimated tax may be collected by the director in the manner provided for the collection of state income tax in K.S.A. 79-3235, and amendments thereto. For purposes of this subsection, "underpayment of tax" means the difference between the amount of tax actually paid and the amount of tax which would have been required to be paid to avoid penalty pursuant to subsection (b) or (c).

(b) No penalty or interest shall be imposed upon any individual with respect to any underpayment of any installment if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the least:

(1) The tax shown on the return of the individual for the preceding taxable year, if a return showing a liability for tax was filed by the individual for the preceding taxable year;

(2) zero if no return was required to be filed or if the tax liability on the individual's return was less than \$200 for the preceding taxable year;

(3) an amount equal to  $66\frac{2}{3}\%$ , in the case of individuals referred to in ~~subsection (b)~~ of K.S.A. 79-32,102**(b)**, and amendments thereto, and 90%, in the case of all other individuals, of the tax for the taxable year computed by placing on an annualized basis, pursuant to rules and regulations adopted by the secretary of revenue, the taxable income for the months in the taxable year ending before the month in which the installment is required to be made.

(c) No penalty or interest shall be imposed upon any corporation with respect to any underpayment of any installment of estimated tax if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the least:

(1) The tax shown on the return of the corporation for the preceding taxable year, if a return showing a liability for tax was filed by the corporation for the preceding taxable year, or zero if no return was required to be filed, or if the tax liability on the corporation's return was less than \$500 for the preceding taxable year; or

(2) (A) an amount equal to 90% of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) For the first three months of the taxable year, in the case of the installment required to be paid in the fourth month;

(ii) for the first three months or for the first five months of the taxable year, in the case of the installment required to be paid in the sixth month;

(iii) for the first six months or for the first eight months of the taxable year in the case of the installment required to be paid in the ninth month; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the installment required to be paid in the 12<sup>th</sup> month of the taxable year.

(B) For purposes of this ~~subsection paragraph~~ (2), the taxable income shall be placed on an annualized basis by:

(i) Multiplying by 12 the taxable income referred to in ~~subsection (2)(A), subparagraph (A); and~~

(ii) dividing the resulting amount by the number of months in the taxable year (three, five, six, eight, nine, or 11, as the case may be) referred to in ~~subsection (2)(A) subparagraph (A).~~

(d) If the employer, in violation of the provisions of this act, fails to deduct and withhold under this chapter, and thereafter the tax against which such withholding may be credited is paid, the amount otherwise required to be deducted and withheld shall not be collected from the employer. This subsection shall in no case relieve the employer from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

(e) Any person required to collect, truthfully account for, and pay over any tax imposed by this act, who willfully fails to collect such tax, or truthfully account for and pay over such tax, or willfully attempts in any manner to evade or defeat any such tax or the payment thereof, shall in addition to the other penalties of this section be liable to a penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over. As used in this section, "willfully" has the same meaning as such term has for federal tax purposes in 26 U.S.C. § 6672.

(f) ~~(1)~~ In case of failure by any employer required by ~~subsection (b)~~ of K.S.A. 79-3298~~(b)~~, and amendments thereto, to remit any amount of withheld taxes by the date prescribed therefor, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be imposed upon such person a penalty of ~~15% of the amount of the underpayment;~~

(A) 2% of the amount of the underpayment if remitted within one to five days;

(B) 5% of the amount of the underpayment if remitted within six to 15 days;

(C) 10% of the amount of the underpayment if remitted after 15 days; and

(D) 15% of the amount of the underpayment if remitted after 15 days and the department has issued a notice to the person regarding the underpayment but the amount of the underpayment was not remitted within 10 days of issuance of the notice.

(2) For purposes of this subsection, the term "underpayment" means the excess of the amount of the tax required to be withheld and remitted over the amount, if any, remitted on or before the date prescribed therefor. The failure to remit for any withholding period shall be deemed not to continue beyond the last date prescribed for filing the annual return as required by ~~subsection (d)~~ of K.S.A. 79-3298~~(d)~~, and amendments thereto. Penalty and interest as prescribed by K.S.A. 79-3228, and amendments thereto, shall not begin to accrue under subsection (a) ~~of this section~~ on the amount of any such underpayment until the due date of the annual return for the

calendar year in which such failure to remit occurs.

(g) Whenever the secretary or the secretary's designee determines that the failure of the taxpayer to comply with the provisions of subsections (a), (e); or (f) ~~of this section~~ was due to reasonable causes, the secretary or the secretary's designee may waive or reduce any of ~~said~~ such penalties and may reduce the interest rate to the underpayment rate prescribed and determined for the applicable period under section 6621 of the federal internal revenue code as in effect on January 1, 1994, upon making a record of the reasons therefor.

Sec. 18. K.S.A. 2023 Supp. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the purchase of state or political subdivision obligations, to the extent that the same is not included in federal adjusted gross income, on obligations of any state or political subdivision thereof, but to the extent that interest income on obligations of this state or a political subdivision thereof issued prior to January 1, 1988, is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations, it shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income. Interest income on obligations of this state or a political subdivision thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction, except that the federal net operating loss deduction shall not be added to an individual's federal adjusted gross income for tax years beginning after December 31, 2016.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below zero.

(v) The amount of any depreciation deduction or business expense deduction

claimed on the taxpayer's federal income tax return for any capital expenditure in making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965, and amendments thereto.

(vii) The amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

(ix) The amount of any ad valorem taxes and assessments paid and the amount of any costs incurred for habitat management or construction and maintenance of improvements on real property, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203, and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xv) or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xiii), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal

adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,256, and amendments thereto.

(xviii) For taxable years commencing after December 31, 2006, the amount of any ad valorem or property taxes and assessments paid to a state other than Kansas or local government located in a state other than Kansas by a taxpayer who resides in a state other than Kansas, when the law of such state does not allow a resident of Kansas who earns income in such other state to claim a deduction for ad valorem or property taxes or assessments paid to a political subdivision of the state of Kansas in determining taxable income for income tax purposes in such other state, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xix) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Loss from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) loss from rental real estate, royalties, partnerships, S corporations, except those with wholly owned subsidiaries subject to the Kansas privilege tax, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) farm loss as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent deducted or subtracted in determining the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011, and as revised thereafter by the internal revenue service.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for self-employment taxes under section 164(f) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer, to the extent the deduction is attributable to income reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income tax return.

(xxi) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for pension, profit sharing, and annuity plans of self-employed individuals under section 62(a)(6) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for health insurance under section 162(l) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for domestic production activities under section 199 of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross

income for expenses paid for medical care of the taxpayer or the taxpayer's spouse or dependents when such expenses were paid or incurred for an abortion, or for a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid by a taxpayer for health care when such expenses were paid or incurred for abortion coverage, a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, when such expenses were paid or incurred for abortion coverage or amounts contributed to health savings accounts for such taxpayer's employees for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as a deduction for federal income tax purposes.

(xxvi) For all taxable years beginning after December 31, 2016, the amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and amendments thereto, and is also claimed as an itemized deduction for federal income tax purposes.

(xxvii) For all taxable years commencing after December 31, 2020, the amount ~~deducted by reason of a~~ of any interest expense paid or accrued in a previous taxable year but allowed as a deduction pursuant to section 163 of the federal internal revenue code in the current taxable year by reason of the carryforward of disallowed business interest pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018. For purposes of this paragraph, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable pursuant to section 163 of the federal internal revenue code if the limitation pursuant to section 163(j) of the federal internal revenue code did not exist.

(xxviii) For all taxable years beginning after December 31, 2021, the amount of any contributions to, or earnings from, a first-time home buyer savings account if distributions from the account were not used to pay for expenses or transactions authorized pursuant to K.S.A. 2023 Supp. 58-4904, and amendments thereto, or were not held for the minimum length of time required pursuant to K.S.A. 2023 Supp. 58-4904, and amendments thereto. Contributions to, or earnings from, such account shall also include any amount resulting from the account holder not designating a surviving payable on death beneficiary pursuant to K.S.A. 2023 Supp. 58-4904(e), and amendments thereto.

(c) There shall be subtracted from federal adjusted gross income:

(i) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States and its possessions less any related expenses directly incurred in the purchase of such obligations or securities, to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(ii) Any amounts received which are included in federal adjusted gross income but which are specifically exempt from Kansas income taxation under the laws of the state of Kansas.

(iii) The portion of any gain or loss from the sale or other disposition of property

having a higher adjusted basis for Kansas income tax purposes than for federal income tax purposes on the date such property was sold or disposed of in a transaction in which gain or loss was recognized for purposes of federal income tax that does not exceed such difference in basis, but if a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to that portion of such gain which is included in federal adjusted gross income.

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

(v) The amount of any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in gross income for federal income tax purposes.

(vi) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income.

(vii) Amounts received as annuities under the federal civil service retirement system from the civil service retirement and disability fund and other amounts received as retirement benefits in whatever form which were earned for being employed by the federal government or for service in the armed forces of the United States.

(viii) Amounts received by retired railroad employees as a supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and 228c(a)(1) et seq.

(ix) Amounts received by retired employees of a city and by retired employees of any board of such city as retirement allowances pursuant to K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter ordinance exempting a city from the provisions of K.S.A. 13-14,106, and amendments thereto.

(x) (1) For taxable years beginning after December 31, ~~1976~~ 2021, the amount of ~~the any federal tentative jobs tax credit disallowance under the provisions of 26 U.S.C. § 280C(a).~~ For taxable years ending after December 31, 1978, the amount of the ~~targeted jobs tax credit and work incentive credit disallowances under 26 U.S.C. § 280C.~~

(2) For taxable years beginning after December 31, 2019, and ending before January 1, 2022, 50% of the amount of the federal employee retention credit disallowance under rules similar to the rules of 26 U.S.C. § 280C(a). The taxpayer shall be required to prove that such taxpayer previously filed Kansas income tax returns and paid Kansas income tax on the disallowed amount. Notwithstanding any other provision of law to the contrary, any claim for refund or amended return relating to this subparagraph shall be allowed to be filed on or before April 15, 2025, and no claim for refund or amended return shall be allowed or filed after April 15, 2025.

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas venture capital, inc.

(xii) For taxable years beginning after December 31, 1989, amounts received by retired employees of a board of public utilities as pension and retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249, and amendments thereto.

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual

development account under K.S.A. 74-50,201 et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such corporation and which is not distributed to the stockholders as dividends of the corporation. For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of modification under this subsection shall exclude the portion of income or loss reported on schedule E and included on line 17 of the taxpayer's form 1040 federal individual income tax return.

(xv) For all taxable years beginning after December 31, 2017, the cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple filing a joint return, for each designated beneficiary that are contributed to: (1) A family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary; or (2) an achieving a better life experience (ABLE) account established under the Kansas ABLE savings program or a qualified ABLE program established and maintained by another state or agency or instrumentality thereof pursuant to section 529A of the internal revenue code of 1986, as amended, for the purpose of saving private funds to support an individual with a disability. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and amendments thereto, and the provisions of such sections are hereby incorporated by reference for all purposes thereof.

(xvi) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are or were members of the armed forces of the United States, including service in the Kansas army and air national guard, as a recruitment, sign up or retention bonus received by such taxpayer as an incentive to join, enlist or remain in the armed services of the United States, including service in the Kansas army and air national guard, and amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and received by such taxpayer as a result of such taxpayer's service in the armed forces of the United States, including service in the Kansas army and air national guard.

(xvii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for death benefits pursuant to K.S.A. 48-282, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

(xviii) For the taxable year beginning after December 31, 2006, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$50,000 or less,

whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly; and for all taxable years beginning after December 31, 2007, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly.

(xix) Amounts received by retired employees of Washburn university as retirement and pension benefits under the university's retirement plan.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Net profit from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) net income, not including guaranteed payments as defined in section 707(c) of the federal internal revenue code and as reported to the taxpayer from federal schedule K-1, (form 1065-B), in box 9, code F or as reported to the taxpayer from federal schedule K-1, (form 1065) in box 4, from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) net farm profit as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent included in the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011 and as revised thereafter by the internal revenue service.

(xxi) For all taxable years beginning after December 31, 2013, amounts equal to the unreimbursed travel, lodging and medical expenditures directly incurred by a taxpayer while living, or a dependent of the taxpayer while living, for the donation of one or more human organs of the taxpayer, or a dependent of the taxpayer, to another person for human organ transplantation. The expenses may be claimed as a subtraction modification provided for in this section to the extent the expenses are not already subtracted from the taxpayer's federal adjusted gross income. In no circumstances shall the subtraction modification provided for in this section for any individual, or a dependent, exceed \$5,000. As used in this section, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung or bone marrow. The provisions of this paragraph shall take effect on the day the secretary of revenue certifies to the director of the budget that the cost for the department of revenue of modifications to the automated tax system for the purpose of implementing this paragraph will not exceed \$20,000.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of net gain from the sale of: (1) Cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 24 months or more from the date of acquisition; and (2) other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 12 months or more from the date of acquisition. The subtraction from federal adjusted gross income shall be limited to the amount of the additions recognized under the provisions of subsection (b)(xix) attributable to the business in which the livestock sold had been used. As used in this

paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012, amounts received under either the Overland Park, Kansas police department retirement plan or the Overland Park, Kansas fire department retirement plan, both as established by the city of Overland Park, pursuant to the city's home rule authority.

(xxiv) For taxable years beginning after December 31, 2013, and ending before January 1, 2017, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.

(xxv) For all taxable years commencing after December 31, 2020, 100% of global intangible low-taxed income under section 951A of the federal internal revenue code of 1986, before any deductions allowed under section 250(a)(1)(B) of such code.

(xxvi) (1) For all taxable years commencing after December 31, 2020, the amount of any interest expense paid or accrued in the current taxable year and disallowed as a deduction pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

(2) For purposes of this paragraph, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable pursuant to section 163 of the federal internal revenue code if the limitation pursuant to section 163(j) of the federal internal revenue code did not exist.

(3) For tax year 2021, an amount equal to the sum of any interest expenses paid or accrued in tax years 2018, 2019 and 2020 less the sum of amounts allowed as a deduction pursuant to section 163 of the federal internal revenue code in tax years 2018, 2019 and 2020.

(xxvii) For taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 274 of the federal internal revenue code of 1986 for meal expenditures shall be allowed to the extent such expense was deductible for determining federal income tax and was allowed and in effect on December 31, 2017.

(xxviii) For all taxable years beginning after December 31, 2021: (1) The amount contributed to a first-time home buyer savings account pursuant to K.S.A. 2023 Supp. 58-4903, and amendments thereto, in an amount not to exceed \$3,000 for an individual or \$6,000 for a married couple filing a joint return; or (2) amounts received as income earned from assets in a first-time home buyer savings account.

(xxix) For taxable years beginning after December 31, 2017, for an individual taxpayer who carried back federal net operating losses arising in a taxable year beginning after December 31, 2017, and before January 1, 2021, pursuant to section 172(b)(1) of the federal internal revenue code as amended by the coronavirus aid, relief, and economic security act (CARES act), the amount of such federal net operating loss carryback for each applicable year. If the amount of such federal net operating loss carryback exceeds the taxpayer's Kansas adjusted gross income for such taxable year, the amount thereof that exceeds such Kansas adjusted gross income may be carried forward as a subtraction modification in the following taxable year or years until the total amount of such federal net operating loss carryback has been deducted, except that no such unused amount shall be carried forward for deduction as a subtraction modification after the 20<sup>th</sup> taxable year following the taxable year of the net operating loss. Notwithstanding any other provision of law to the contrary, an extension of time shall be allowed for a claim for refund or amended return for tax years 2018, 2019 or

2020 limited to the application of the provisions of this paragraph and such claim for refund or amended return must be filed on or before April 15, 2025.

(d) There shall be added to or subtracted from federal adjusted gross income the taxpayer's share, as beneficiary of an estate or trust, of the Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and amendments thereto.

(e) The amount of modifications required to be made under this section by a partner which relates to items of income, gain, loss, deduction or credit of a partnership shall be determined under K.S.A. 79-32,131, and amendments thereto, to the extent that such items affect federal adjusted gross income of the partner.

Sec. 19. K.S.A. 2023 Supp. 79-32,212 is hereby amended to read as follows: 79-32,212. (a) For taxable years 2002 through ~~2024~~ 2029, there shall be allowed as a credit against the tax liability of a taxpayer imposed under the Kansas income tax act, an amount equal to 100% of the amount attributable to the retirement of indebtedness authorized by a single city port authority established before January 1, 2002. In no event shall the total amount of the credits allowed under this section exceed \$500,000 for any one fiscal year.

(b) Upon certification by the secretary of revenue of the amount of any such credit, the director of accounts and reports shall issue to such taxpayer a warrant for such amount which shall be deemed to be a capital contribution.

(c) For tax years 2013 through 2021, the income tax credit provided by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, and shall be applied only against such taxpayer's corporate income tax liability.

(d) For tax years 2022 through ~~2024~~ 2029, the income tax credit provided by this section shall be available to all taxpayers subject to the income tax imposed pursuant to K.S.A. 79-32,110, and amendments thereto, and shall be applied only against such taxpayer's income tax liability.

Sec. 20. K.S.A. 2023 Supp. 79-32,284 is hereby amended to read as follows: 79-32,284. (a) K.S.A. 2023 Supp. 79-32,284 through 79-32,289, and amendments thereto, shall be known and may be cited as the salt parity act.

(b) The legislature finds and declares that:

(1) The deductibility of state income taxes should be the same for C corporations, S corporations and partnerships; and

(2) the purpose of the tax credit in K.S.A. 2023 Supp. 79-32,288, and amendments thereto, is to avoid double taxation of income on electing pass-through entity owners.

(c) The provisions of this act shall be a part of and supplemental to the Kansas income tax act.

Sec. 21. K.S.A. 2023 Supp. 79-32,287 is hereby amended to read as follows: 79-32,287. (a) With respect to any taxable period for which it has made the election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, an electing pass-through entity shall be subject to a tax in an amount equal to ~~5-7% of the highest rate of tax for the applicable income tax year under K.S.A. 79-32,110(a), and amendments thereto,~~ multiplied by the sum of:

(1) Each ~~resident nonresident~~ electing pass-through entity owner's ~~pro rata or~~ distributive share of the electing pass-through entity's income ~~and each nonresident electing pass-through entity owner's distributive share of income~~ attributable to the state, ~~all as; and~~

(2) each resident electing pass-through entity owner's pro rata or distributive share of the electing pass-through entity's income calculated as either: (A) The sum of income attributable to the state and income not attributable to the state; or (B) income attributable to the state. The electing pass-through entity must use the same method of calculation for all resident electing pass-through entity owners. The provisions of paragraphs (1) and (2) shall be determined pursuant to K.S.A. 79-32,130, 79-32,131, 79-32,133 and 79-32,139, and amendments thereto.

(b) An electing pass-through entity shall be treated as a corporation under K.S.A. 79-32,101, and amendments thereto, with respect to the tax imposed under this act, except that K.S.A. 79-32,107, and amendments thereto, shall not apply during the first taxable period for which this act is applicable.

(c) Any credit allowed pursuant to article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, ~~except K.S.A. 79-32,111(a), and amendments thereto,~~ that is attributable to the activities of an electing pass-through entity in the taxable year shall be passed through to and claimed by the entity and not passed through to or claimed by the electing pass-through entity owner only for taxable periods when the election is allowed and made by an electing pass-through entity under K.S.A. 2023 Supp. 79-32,286, and amendments thereto. Notwithstanding any provision to the contrary in article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, any excess income tax credit, net operating loss or other modification may be carried forward on the electing pass-through entity's return but may only be utilized in a year in which the electing pass-through entity has made the election allowed in K.S.A. 2023 Supp. 79-32,286, and amendments thereto, except that any limitation specified in the specific section for an income tax credit, the net operating loss or any other modification shall apply to the electing pass-through entity. If in a taxable period subsequent to a period in which an election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, was made, an election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, is not allowed or not made by an electing pass-through entity, any excess income tax credits may be transferred to the electing pass-through entity owners. Any excess income tax credits shall be available to each electing pass-through owner in the same proportion and manner as would have applied without the election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, for the taxable period in which each respective income tax credit was generated. All other rights and obligations pertaining to the excess income tax credits shall be transferred to the electing pass-through entity owners.

(d) Any modification to federal taxable income pursuant to K.S.A. 79-32,117 or 79-32,138, and amendments thereto, and any expensing deduction allowed pursuant to K.S.A. 79-32,143a, and amendments thereto, that is attributable to the activities of an electing pass-through entity in the taxable year shall be claimed on:

- (1) The electing pass-through entity's return; and
- (2) each electing pass-through entity owner's individual return, in the same proportion and manner as would have applied without the election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto.

(e) The provisions of article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, regarding the collection, administration and enforcement of tax shall be applicable to the tax due under this section, and notwithstanding the provisions of K.S.A. 79-32,129 and 79-32,139, and amendments thereto, an electing pass-through

entity shall be a taxpayer.

(f) The provisions of this section shall apply to taxable years commencing on or after January 1, 2022.";

Also on page 2, in line 19, by striking "68-1011 and 68-1036"; also in line 19, before "are" by inserting "79-257, 79-258, 79-306, 79-332a, 79-1422, 79-1427a, 79-1496 and 79-32,107 and K.S.A. 2023 Supp. 12-187, 12-189, 12-192, 74-2433f, 79-1476, 79-2988, 79-2989, 79-32,117, 79-32,212, 79-32,284 and 79-32,287";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 through 8; in line 9, by striking all before the semicolon and inserting "taxation; relating to property taxation; reducing penalties for the late filing of or the failure to file statements listing personal property for assessment and the discovery of escaped personal property; reporting changes after initial statement; allowing for filing of an appraisal by a certified residential real property appraiser for appeal purposes; accounting for adverse influences in the valuation of agricultural land; including properties used for registered agritourism activities as land devoted to agricultural use for purposes of classification; providing a property tax exemption for new electric generation facilities and new pollution control devices and additions constructed or installed at electric generation facilities; discontinuing the current property tax exemptions for certain existing electric generation facilities; relating to tax levy rates; providing that county clerks are not required to send revenue neutral rate notices to property owners of exempt property; modifying and prescribing the contents of the revenue neutral rate public hearing notice; permitting a tax levy that generates the same amount of revenue as the previous year when the final assessed valuation decreases compared to the estimated assessed valuation; requiring that the governing body's vote be conducted on the same day as the commencement of the public hearing; extending reimbursement from the taxpayer notification costs fund for printing and postage costs for county clerks for calendar year 2024; relating to income taxation; providing subtraction modifications for certain federal credit disallowances and the employee retention credit disallowance and to permit the carryforward of certain net operating losses; clarifying the disallowed business interest expense deduction; extending the time period for the single city port authority tax credit; decreasing the penalties for failing to timely remit withholding income taxes of employees by employers; relating to the salt parity act; clarifying the determination of taxable income of an electing pass-through entity; providing for the passing through of tax credits to electing pass-through entity owners; relating to sales and compensating use tax; providing countywide retailers' sales tax authority for Rawlins, Marshall and Neosho counties; relating to the state board of tax appeals; authorizing teleconference or video conference hearings in the small claims and expedited hearings division"; also in line 9, by striking "68-1011 and 68-1036" and inserting "79-257, 79-258, 79-306, 79-332a, 79-1422, 79-1427a, 79-1496 and 79-32,107 and K.S.A. 2023 Supp. 12-187, 12-189, 12-192, 74-2433f, 79-1476, 79-2988, 79-2989, 79-32,117, 79-32,212, 79-32,284 and 79-32,287";

And your committee on conference recommends the adoption of this report.

ADAM SMITH  
BRIAN BERGKAMP  
TOM SAWYER

*Conferees on part of House*

CARYN TYSON  
 VIRGIL PECK  
 TOM HOLLAND

*Conferees on part of Senate*

On motion of Rep. Bergkamp, the conference committee report on **SB 410** was adopted.

On roll call, the vote was: Yeas 120; Nays 0; Present but not voting: 0; Absent or not voting: 5.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Hougland, Howe, Howell, Howerton, Hoye, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoie, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Xu, Younger.

Nays: None.

Present but not voting: None.

Absent or not voting: Alcalá, Garber, Houser, Poetter, Ruiz, L..

**CONFERENCE COMMITTEE REPORT**

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 143** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 143, as follows:

On page 1, in line 26, by striking "such" and inserting "an"; in line 27, after "company" by inserting "inspector";

On page 3, in line 18, after the stricken material by inserting "'Elevator inspector' means an individual engaged in the business of inspecting elevators."; in line 19, before "Elevator" by inserting "(g)";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

Also on page 3, in line 41, before the first "mechanic" by inserting "inspector or"; in line 42, after "of" by inserting "such";

On page 4, in line 10, before "such" by inserting "or an elevator is installed or reinstalled."; in line 14, by striking "the"; in line 15, by striking all before the comma and inserting "July 1, 2024"; in line 16, after "act" by inserting "as provided by paragraph (1)"; in line 18, after "thereto" by inserting "as provided by paragraph (1)";

On page 5, following line 1, by inserting:

"(3) In the alternative to an application pursuant to paragraph (2), any individual wishing to engage in the business of inspecting elevators shall make application for an elevator inspector's license in such form and manner as prescribed by the state fire marshal and shall pay the required initial application fee, which shall not exceed \$250. An applicant shall provide proof of compliance with the insurance requirements set forth in K.S.A. 2023 Supp. 44-1808, and amendments thereto.";

Also on page 5, in line 27, after "(d)" by inserting "An elevator inspector license shall be issued, upon application, to an applicant that:

(1) Holds a certification as an elevator inspector from the American national standards institute; or

(2) holds a certificate of completion of an elevator inspector program provided through a postsecondary educational institution or similar program or passes an equivalency examination prepared by the state fire marshal.

(e)";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 6, in line 1, before "mechanic" by inserting "inspector, licensed elevator"; in line 20, after "contractor" by inserting ", licensed elevator mechanic"; also in line 20, after "of" by inserting "such"; in line 25, by striking all after "report"; by striking all in line 26; in line 27, by striking "report" and inserting ", except that load tests shall be performed on all elevators every six years, including, if the elevator maintenance agreement does not include any provision for load testing, elevators otherwise exempt from the requirements of this section pursuant to subsection (c)(2). Such load tests may be performed by a licensed elevator mechanic, licensed elevator contractor, employee of such a licensee or an insurance company inspector. The first load test required pursuant to this section shall be as follows:

(1) For elevators installed on and after July 1, 2024, within six years of the date of installation; and

(2) for elevators installed prior to July 1, 2024, within six years of July 1, 2024.";

Also on page 6, in line 28, by striking all after "(c)"; by striking all in line 29; in line 30, by striking "(d)"; in line 35, before "any" by inserting "except for the performance of load tests as required by subsection (b).";

On page 7, in line 4, by striking "the" and inserting "an"; also in line 4, after the second "company" by inserting "inspector";

On page 8, in line 8, before the period by inserting ", the date of installation of the elevator and a certification that a load test has been performed on such elevator when required by K.S.A. 44-1815, and amendments thereto, the results of the load test and the date such test was performed"; in line 17, after the period by inserting "If the elevator maintenance agreement does not include any provision for load testing, any such application for renewal shall, in addition, be accompanied by a certification that a load test has been performed on such elevator when required by K.S.A. 44-1815, and amendments thereto, the results of the load test and the date such test was performed."; in line 24, after "company" by inserting "inspector"; in line 39, after "elevator" by inserting "installed before July 1, 2024,"; in line 40, by striking "except";

On page 1, in the title, in line 12 after "conducted" by inserting "only"; in line 14, after the semicolon by inserting "establishing educational and testing licensing options

for elevator inspectors;"

And your committee on conference recommends the adoption of this report.

SEAN TARWATER

JESSE BORJON

JASON PROBST

*Conferees on part of House*

MIKE PETERSEN

TIM SHALLENBURGER

ETHAN CORSON

*Conferees on part of Senate*

On motion of Rep. Tarwater, the conference committee report on **H Sub SB 143** was adopted.

On roll call, the vote was: Yeas 118; Nays 2; Present but not voting: 0; Absent or not voting: 5.

Yeas: Amyx, Anderson, Awerkamp, Ballard, Barth, Bergkamp, Bergquist, Blew, Blex, Bloom, Borjon, Bryce, Buehler, Butler, Carlin, Carmichael, B. Carpenter, W. Carpenter, Carr, Clifford, Collins, Concannon, Corbet, Croft, Curtis, Delperdang, Dodson, M., Droge, Ellis, Eplee, Essex, Estes, Fairchild, Featherston, Francis, Gardner, Goddard, Goetz, Haskins, Haswood, Hawkins, Helgerson, Highberger, Hill, Hoffman, Hoheisel, Hougland, Howe, Howell, Howerton, Humphries, Jacobs, T. Johnson, Kessler, Landwehr, Lewis, Martinez, Mason, Maughan, McDonald, McNorton, Melton, Meyer, Miller, D., Miller, S., Miller, V., Minnix, Moser, Murphy, Neelly, Neighbor, Ohaebosim, Oropeza, Osman, Ousley, Owens, Penn, Pickert, Poskin, Probst, Proctor, Rahjes, Resman, Rhiley, Robinson, Roth, Ruiz, S., Sanders, Sawyer, Clayton, Schlingensiepen, Schmoe, Schreiber, Seiwert, Smith, A., Smith, C., Smith, E., Stiens, Stogsdill, Sutton, Tarwater, Thomas, Thompson, Titus, Turk, Turner, Underhill, Vaughn, Waggoner, Wasinger, Waymaster, Weigel, White, Williams, K., Williams, L., Winn, Woodard, Younger.

Nays: Hoye, Xu.

Present but not voting: None.

Absent or not voting: Alcalá, Garber, Houser, Poetter, Ruiz, L..

## CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 172** submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

SEAN TARWATER

JESSE BORJON

JASON PROBST

*Conferees on part of House*

MIKE THOMPSON

APRIL 4, 2024

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RICK KLOOS

OLETHA FAUST-GOUDEAU

*Conferees on part of Senate*

On motion of Rep. Tarwater the conference committee report on **H Sub SB 172** to agree to disagree, was adopted.

Speaker pro tem Carpenter thereupon appointed vReps. Tarwater, Borjon and Probst as second conferees on the part of the House.

#### **REPORT ON ENGROSSED BILLS**

**HB 2583** reported correctly re-engrossed April 3, 2024.

On motion of Rep. Croft, the House adjourned until 10:00 a.m., Friday, April 5, 2024.

JENNY HAUGH, JULIA WERNER, *Journal Clerks.*

SUSAN W. KANNARR, *Chief Clerk.*

□