

Senator Jay Emler

Kansas Senate District 35



From the Desk of Jay Scott Emler

Week of March 1, 2010

February Revenue Collections

The month of February was the fourth monthly report based on the revised consensus revenue estimates made in November 2009. Through February, tax only collections to the State General Fund (SGF) were \$71.1 million, or 26.7 percent, below estimates. Tax only revenues for the 2010 fiscal year, to date, have totaled \$3.1 billion, a \$105 million shortfall from the estimate of \$3.2 billion. For FY 2010, tax only receipts are \$292.8 million, or 8.6 percent, below the same period in FY 2010.

Multiple tax sources fell below estimates by more than \$1 million. Those sources include a \$33.5 million deficit in individual income tax collections, \$14 million shortfall in sales tax receipts, \$5.3 million loss in corporate income taxes, \$8.3 million shortfall in compensating use taxes, and a \$5.3 million loss in oil and gas severance tax collections.

Session Deadlines

Please be aware of the following dates and deadlines:

Friday, March 19	All bills must be out of committee by start of session and read in
Wednesday, March 24	Second House Consideration
Friday, April 2	NO SESSION - Good Friday

Senate Bill 494- Undersheriffs

SB 494 amends current law to clarify that when a county has no sheriff or undersheriff, the county clerk will assume the powers and duties of the office until a sheriff is elected or becomes qualified. Also, the measure clarifies that when a sheriff is in jail, the county clerk must be the keeper of the jail. The bill has no negative impact to the State General Fund. **SB 494 passed 40 to 0** on Wednesday, March 3.

Senate Bill 501- Licensure of Perfusionists

SB 501 requires the Board of Healing Arts to license and regulate perfusionists practicing in Kansas beginning July 1, 2011. Perfusionists handle and oversee the machines necessary to support, treat, measure and supplement the cardiovascular, circular and respiratory systems during surgery. The bill outlines a variety of licenses the Board is authorized to grant and also lists the requirements for licensure. The measure establishes maximum fees for the application and licensure of perfusionists. Also, the bill establishes the Perfusion Council to assist the Board on perfusionists issues. **SB 501 passed 38 to 2** on Wednesday, March 3.

Senate Bill 541- Court of Appeals Judges

SB 541 delays the appointment of the 14th Court of Appeals Judge position to January 1, 2012 and saves \$389,340 from the State General Fund for FY 2011. **SB 541 passed 40 to 0** on Wednesday, March 3.

Senate Bill 544- Metropolitan Transit Authority Act

SB 544 increases the area in which a metropolitan transit authority could offer services from a three mile radius of city limits to a 90 mile radius. The bill has no negative impact to the State General Fund. *SB 544 passed 38 to 2* on Wednesday, March 3.

House Bill 2283- Water Service Transfers

HB 2283 enacts new law concerning the process of transferring a water service when a city annexes property where a rural water district is providing water services. The measure amends current law to add an additional factor that must be considered by a rural water district's board of directors before they release the rural water district lands. The bill repeals K.S.A. 12-527 regarding the annexation of lands located within water districts and clarifies existing guidelines for implementing an intensive groundwater use control area within the boundaries of a groundwater management district. The conference committee report for *HB 2283 passed 39 to 1* on Wednesday, March 3.

House Bill 2323- Providers of Care Services

HB 2323 amends existing law regarding providers of care services by adding crimes against property to the list of offenses an applicant has been convicted of and still be employed by a care home or agency as long as a minimum of five years has passed since the sentence terms were complied with.

In addition, the measure allows an operator of a care home or agency to request criminal history information for persons licensed or registered by the state and for volunteers who provide care home and agency professional services. Current law requires only non-licensed staff to have background checks. *HB 2323 passed 39 to 1* on Wednesday, March 3.

House Bill 2436- Michael Hugh Breeding Memorial Bridge

HB 2436 designates bridge 62 on U.S. Highway 77 in Marshall County as the First Lieutenant Michael Hugh Breeding Memorial Bridge honoring First Lieutenant Breeding who was killed in action during the Vietnam War.

Under the bill, the Kansas Department of Transportation must receive \$2,040 in donations before the designation signs could be installed. Of the required funds, \$1,360 is for sign printing and installation and \$680 is for future maintenance. *HB 2436 passed 40 to 0* on Wednesday, March 3.

House Bill 2500- Municipal Insurance Pools

HB 2500 amends the Kansas Municipal Group-Funded Pool Act to allow municipal insurance pool applicants to submit confirmation that their reinsurance has been approved by the Insurance Commissioner and is in effect or will be effective when the pool assumes risk. The confirmation of reinsurance approval is an addition to the current statutory requirement that municipal pools hold excess insurance provided by an insurance company holding a Kansas certificate of authority. The bill also requires the pool to notify the Insurance Commissioner, within 30 days, of any changes in the reinsurance carried. *HB 2500 passed 40 to 0* on Wednesday, March 3.

House Bill 2501- Mortgage Guaranty Insurance Company Liability

HB 2501 allows the Insurance Commissioner to waive the minimum policy surplus requirement, up to two years, for the liability of mortgage guaranty insurance companies. Current law does not allow a mortgage guaranty insurance company to have an outstanding total liability or net of reinsurance under its aggregate mortgage guaranty insurance policies that exceed 25 times its capital, surplus and contingency reserve. *HB 2501 passed 40 to 0* on Wednesday, March 3.

House Bill 2676- Employment Security Act

HB 2676 amends the Employment Security Law regarding contribution rates, penalties and interest by providing for calendar years 2010 and 2011 contributing employers in rate groups one through 32 would

be as listed on the original, not compressed, tax rate computation table for 2010. Contributing employers in rate groups 33 through 51 would be capped at a 5.4 percent contribution rate in the bill. In addition, employers have 90 days past the due date to file their unemployment contribution without being charged a penalty or interest.

During the Senate debate, an amendment by Senator Wagle was added to the bill that allows employers to pay the unemployment contribution up to 90 days late in the first three quarters of the calendar year without interest. The amendment also states that employers must make the contribution for the fourth quarter on time in order to remain compliant with rules and regulations of the federal government. **HB 2676 passed 39 to 0** on Thursday, March 4.

Agriculture

The Senate Agriculture Committee, this week, met to hold a hearing on HB 2566 pertaining to the food and drug inspection duties under the Department of Agriculture.

Business and Labor

This week the Senate Business and Labor Committee held a confirmation hearing on the appointment of Keith Lawing to the Public Employee Relations Board. The appointment of Lawing was favorably passed out of committee and is now up for consideration by the Senate. In addition, the committee voted to favorably pass HB 2676 concerning the Employment Security Act.

Commerce

The Senate Commerce Committee held confirmation hearings this week on the appointments of William Thornton as Secretary of the Department of Commerce, Steven Warren to the Kansas Technology Enterprise Corporation and Audrey Langworthy to the Kansas Development Finance Authority. In addition, hearings were held on HB 2551 on granting the Department of Commerce authority to recapture unissued recovery zone bonds, HB 2553 concerning updates to the Kansas Enterprise Zone Act and HB 2554 regarding the issuance of bonds for certain economic development projects.

The appointments of Thornton, Warren and Langworthy were favorably passed out of committee and are up for consideration by the Senate.

Education

The Senate Education Committee, this week, held hearings on HB 2433 concerning the exemption of state educational institutions from the state purchasing law and SB 499 on nutrition and health education guidelines for school vending machines. In addition, Scott Frank appeared before the committee to give a presentation on excess special education funding and Senator Terry Bruce gave a presentation on voluntary school consolidation.

The committee voted to favorably pass SB 359 pertaining to catastrophic state aid and HB 2433 out of committee. Both bills are now up for consideration by the Senate.

Federal and State Affairs

This week the Senate Federal and State Affairs Committee held a hearing on SB 559 concerning the Kansas Taxpayer Transparency Act and voted to favorably pass it out of committee where it is now up for consideration by the Senate. In addition, HB 2445 on land uses adjacent to military installations and SB 454 concerning licenses to sell alcoholic beverages passed favorably out of committee and are now up for consideration by the Senate.

Financial Institutions and Insurance

The Senate Financial Institutions and Insurance Committee held hearings on HB 2608 concerning examinations and annual assessments of financial institutions, HB 2609 on the general power to purchase life insurance by banks, HB 2492 regarding the financial security evidence for motor vehicle liability

coverage and HB 2473 pertaining to prohibiting sellers, lessors and credit card issuers from imposing a surcharge on debit and credit card transactions. The committee also received presentations on SB 392 concerning the establishment of an online financial security verification and compliance system and HB 2474 on the establishment of an online motor vehicle financial security verification and compliance system.

The committee favorably passed out HB 2608, HB 2609 and HB 2492 and all are now up for consideration by the Senate.

Judiciary

The Senate Judiciary Committee took the following actions during the week:

Hearings

- SB 523 - enacting the Kansas Racketeer influences and corrupt organization Act. Favorably passed out of committee and is now up for consideration by the Senate.
- HB 2364 - Court procedure; time limitations for filing. Favorably passed out of committee and placed on the Senate Consent Calendar.
- HB 2418 - Carbon dioxide reduction act; limiting liability of the state of Kansas. Favorably passed out of committee and is now up for consideration by the Senate.
- HB 2582 - Adding conspiracy and attempt to special sentencing requirement of presumptive imprisonment for second burglary offense. The committee voted to table the measure.
- SB 469 - Civil procedure, commercial property liens; state construction registry, notice of commencement and notice of furnishings. The committee voted to refer the bill to the Kansas Judicial Council.
- SB 436 - Children in need of care, runaways.
- SB 435 - Criminal procedure; search incident to arrest.
- HB 2455 - Amendments to uniform principal and income act.
- HB 2456 - Probate; filing of affidavits regarding decedent's probate estate.
- HB 2435 - Certain crimes in which the penalty is an offgrid felony, attempt, conspiracy and criminal solicitation are also offgrid; aggravated habitual sex offender.
- HB 2468 - Requiring offenders guilty of attempt, conspiracy or solicitation to committee any crime requiring offender registration for life to register as an offender.

Confirmation Hearings

- Patricia Biggs to the Kansas Parole Board. Favorably passed out of committee and are now up for consideration by the Senate.
- Lawrence P. Daniels to the Kansas State Board of Indigents' Defense Services. Favorably passed out of committee and are now up for consideration by the Senate.

Local Government

The Senate Local Government Committee, this week, held hearings on HB 2471 on strip annexation restrictions and HB 2478 regarding county approval of certain annexations. The committee also continued discussion on SB 470 and HB 2472 concerning the Kansas Uniform Common Interest Owners Bill of Rights.

Natural Resources

This week the Senate Natural Resources Committee held hearings on SCR 1623, a resolution that urges Congress to exempt the Flint Hills Tallgrass Prairie from United States EPA smoke management plans and

SB 553 regarding the recovery of migrating natural gas.

Public Health and Welfare

The Senate Public Health and Welfare Committee held confirmation hearings on the appointments of Mark Jorgenson and Deryl Wynn to the University of Kansas Hospital Authority. Both appointments were favorably passed out of committee and are now up for consideration by the Senate.

In addition, the Kansas Health Policy appeared before the committee to report on short and long term alternatives for Medicaid. The committee also continued discussion on SB 447 regarding the supervision of children and the licensing and inspection of child care facilities.

Transportation

The Senate Transportation committee met this week to hold hearings on HB 2555 concerning the designation of sections of K-14, U.S. 160 and K-2 as the SFC David R. Berry/SGT WillSun M. Mock memorial highway and HB 2650 on designating part of U.S. 75 as the James Lane Freedom Trail memorial highway. Hearings were also held on HB 2510 regarding temporary vehicle registrations, HB 2547 concerning the vehicle dealers and manufacturers licensing act and HB 2482 on the expiration and renewal of drivers' licenses. The committee finished work for the week with hearings on HB 2484 pertaining to commercial driver's licenses and HB 2485 on increasing the time period for certain motor carrier audits.

The committee also received a presentation on Vehicle Insurance Verification. SB 544 regarding the metropolitan transit authority act and HB 2555 were favorably passed out of the committee. SB 544 passed the Senate on Wednesday, March 3 and HB 2555 is now up for consideration by the Senate.

Utilities

The Senate Utilities committee, this week, held a confirmation hearing on the appointment of Tom Wright to the State Corporation Commission and held hearings on HB 2652 concerning amendments to the Kelsey Smith Act. The appointment of Wright was favorably passed out of committee and is now up for consideration by the full Senate.

The committee continues to work on funding next generation enhanced 9-1-1

Senate Ways and Means Committee Update

On March 1, no legislation was introduced. The Committee continued its work on the FY 2011 budget. The Committee heard reports on the Parole Board, Board of Emergency Medical Services (EMS), Kansas Sentencing Commission, and the Department of Health and Environment. Sen. Teichman (R-Stafford) presented the Parole Board report. The subcommittee concurred with the Governor's recommendation, but was concerned with the rent increase for its offices charged by the Department of Administration. Sen. Masterson (R-Andover) presented the Board of EMS report. The subcommittee concurred with the Governor's recommendation. Sen. Masterson presented the Kansas Sentencing Commission report. The subcommittee concurred with the Governor's recommendation. Sen. V. Schmidt (R-Topeka) presented the report for the Kansas Department of Health and Environment. For the Department of Health, the subcommittee concurred with the Governor's budget with the adjustment to delete \$654,054 from the State General Fund, to achieve a reduction of 2.5 percent for FY 2011. For Environment, the subcommittee concurs with the Governor's recommendation with an adjustment to delete \$121,193 from the State General Fund, to achieve a reduction of 2.5 percent for FY 2011. The Committee opened the hearing on HB 2415. The bill would exempt state universities from being required to sell or dispose of property through State Surplus Property. Barry Swanson, Director of Purchasing, University of Kansas, testified that if the universities could sale at a set price, the universities could make more profit off certain specialty items. An amendment to include oversight by the Board of Regents was adopted and the bill was passed favorably as amended.

On Tuesday, March 2, one bill was introduced. SB 562 (Sen. Emler) concerns assessments for providers of certain home and community based services. The Committee continued its work on the FY 2011 budget. The Committee received reports on the Kansas Bureau of Investigation (KBI), Kansas

Commission of Peace Officers' Standards and Training (CPOST), State Fire Marshal, Kansas Highway Patrol, and the Adjutant General. Sen. Teichman presented the report for the KBI and CPOST. For the KBI, the subcommittee concurred with the Governor's recommendation with an adjustment to delete \$1,080,630 from the State General Fund. These funds were to assist in the DNA backlog. This funding will be reviewed at Omnibus. For CPOST, the subcommittee concurred with the Governor's recommendation. The reports on the State Fire Marshal, Kansas Highway Patrol and Adjutant General were presented by Sen. Masterson. For the State Fire Marshal, the subcommittee concurred with Governor's recommendation. For the Highway Patrol, the subcommittee concurs with the Governor's recommendation, but notes that the recommendation shifts State General Fund expenditures to special revenue funds and in doing so leaves a number of funds with a low or zero ending balance. For the Adjutant General, the subcommittee concurs with the Governor's recommendation with an adjustment to add \$247 million, including \$24.8 million from the State General Fund, for the state's portion of FY 2011 disaster assistance payments on 12 open disasters. The Committee adopted all five reports. The hearing for HB 2442, the Kansas Streamlining Government Act, was held. Two proponents, Sen. Derek Schmidt (R-Independence) and Rep. Lee Tafanelli (R-Ozawkie) testified that in this budget crisis, it is time to become more efficient and the Commission that this legislation would create would help in doing so.

On Wednesday, March 3, a Senate Concurrent Resolution was introduced. SCR 1628 (Sen. Vratil, R-Leawood), requests that the Kansas Supreme Court make a survey and study of the Kansas Court system. The Committee continued its work on the FY 2011 budget. The Committee received reports for the Department of Revenue and the Court of Tax Appeals (COTA). Sen. Schodorf (R-Wichita) presented the report for the Department of Revenue. The subcommittee concurred with the Governor's 2011 budget with some adjustments. The subcommittee recommended deleting \$401,897 from the State General Fund as part of the agency's 2.5 percent reduction. The report was adopted. Sen. Schmidt presented the report on COTA. The subcommittee concurred with the Governor's recommendation with two adjustments: delete \$33,968 from the State General Fund to reduce the agency's budget by 2.5 percent and add \$33,000 from the COTA Filing Fee Fund in FY 2011 to offset the agency's State General Fund reduction. The report on the Office of the Attorney General was reopened and an amendment to include funding for the Water Litigation Fund for FY 2012-2017 was adopted. The Committee was briefed on the Enhanced Medicaid Match. Kansas will be paying \$16.4 million in FY 2010 and \$8.3 million in FY 2011 less than expected to the federal government. The Committee opened the hearing on HB 2408, a bill requiring the chief information technology officer (CITO) of each branch of government to develop a schedule to conduct vulnerability scans of their computer networks and carry out scans periodically. Allan Foster, Legislative Division of Post Audit (LPA) testified that the bill would implement recommendations made in a July 2009 information technology security audit and addressed by the Joint Committee on Information Technology (JCIT). He testified that they found vulnerability in a number of computer applications on agency servers. The Committee was concerned that there is currently a policy in place which directs agencies to perform vulnerability scans, and that there are no sanctions in the legislation. The Committee questioned who the agencies were that would perform the scans and who would pay for them. The bill was not reported favorably.

On Thursday, March 4, no bills were introduced. The Committee continued its work on the FY 2011 budget. The Committee received the subcommittee reports on the Kansas State Historical Society, Kansas Arts Commission, Kansas State Library, Commission on Veterans Affairs and the Health Care Stabilization Fund. The reports for the Kansas State Historical Society, Kansas Arts Commission, and Kansas State Library were presented by Sen. Apple (R-Louisburg). For the Kansas State Historical Society, the subcommittee concurred with the Governor's recommendation with one adjustment: delete \$134,530 all from the State General Fund to apply a 2.5 percent reduction for FY 2011. For the Kansas Arts Commission, the subcommittee concurs with the Governor's recommendation with one adjustment: delete \$93,100 from the State General Fund to apply 2.5 percent reduction for FY 2011. For the Kansas State Library, the subcommittee concurred with the Governor's recommendation with one adjustment: delete \$110,150 from the State General Fund to apply a 2.5 percent reduction. For the Commission on Veterans Affairs, the subcommittee concurred with the Governor's recommendation. One amendment was adopted to add language to apply a 2.5 percent cut and to review at Omnibus. For the Health Care Stabilization Fund, the subcommittee concurred with the Governor's recommendation. All of the subcommittee reports were adopted. The Committee heard SB 558, a bill concerning the Interstate Water Litigation Fund. Samuel Speed, Office of the Attorney General, and Steve Swaffar, Kansas Farm Bureau testified in favor of the bill. They testified that the bill would insure that the monies in the fund could only be used for water litigation. No action was taken on the bill.

No meeting was held on Friday, March 5.

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TOLL FREE LEGISLATIVE HOTLINE

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