



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | FEBRUARY 16, 2018

A WESTERN KANSAS DUO

Governor Colyer announced on Tuesday that he had selected **Tracey Mann**, a commercial real estate executive from Salina, to be the state's 50th Lt. Governor. That key position had been vacant since Colyer became governor upon Governor Brownback's resignation two weeks ago.

Mann's appointment should give some comfort to western Kansans who often think their part of the state doesn't get its fair share of attention in state government matters. Mann grew up on a farm near Quinter some 50 miles west of Hays, the childhood home of Governor Colyer. The Governor and Lt. Governor should obviously have a good idea of the wants and needs of the folks on the high plains.

TACKLING TRANSPARENCY

You know transparency in state government is going to be a big deal this session when the President of the Senate, Sen. Susan Wagle (R-Wichita), and the Democrat leader in the Senate, Sen. Anthony Hensley (D-Topeka), speak out strongly in favor of the same bill. In this case, it was **SB 394**, which requires persons involved in specified transactions with the executive branch of state government to register as lobbyists, just as individuals currently lobbying members of the legislative branch must.

Controversies involving the possible demolition of the Docking State Office Building and the recent contract with a private prison firm chosen to build a new prison at Lansing have spurred legislative interest in passing this measure as well as other transparency bills relating to the legislative and administrative process.

TURN-AROUND TIME

The Kansas Legislature's "turn-around time" is next week, which means that non-exempt bills must clear the body in which they were introduced by next Thursday if they are to receive any further action this session.

Dozens of bills in both the House and Senate, including many from the 2017 session, will be left in committee or on the debate calendars. Since this is the second year of the two-year legislative cycle, all bills not passed this session

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will automatically die at the end of the session. Bills that have already been exempted from deadlines can be considered for the remainder of the session, and exempt committees, such as Federal and State Affairs and Appropriations, can continue to introduce bills.

BILL SUMMARIES

Listed below are selected bills that were introduced or acted on during the week. Additional information on any of the bills can be accessed by clicking on the bill number.

AGRIBUSINESS

HB 2718 – Allows for a reduction in or waiver of the annual licensing fee for a microbrewery based on the percentage of Kansas products utilized in the manufacturing of beer and hard cider. (Referred to the House Committee on Federal and State Affairs, Rep. John Barker, Chair)

HB 2742 – Requires retailers to label muscle cuts of beef, muscle cuts of pork, ground beef, and ground pork including the country of origin of these “covered commodities.” (Referred to the House Committee on Agriculture, Rep. Kyle Hoffman, Chair)

BUSINESS AND ECONOMIC DEVELOPMENT

HB 2476 – Amends the alcoholic beverage statutes to include a definition of “alcoholic candy” as any candy or other confectionary product with an alcohol content greater than 0.5% alcohol by volume. Organizations must have a liquor license to sell such candy. The bill allows a microbrewery licensee to sell – for consumption off the licensed premises – beer manufactured by the licensee and placed in containers of a specified size. Identification labels are required on the containers. *(Passed by the House on a vote of 107-15. Referred to the Senate Committee on Federal and State Affairs, Sen. Bud Estes, Chair)*

HB 2741 – Creates the Fire Sprinkler Industry Act to be administered by the State Fire Marshall. Requires any entity involved in the fire sprinkler business to become licensed under rules and regulations developed by the State Fire Marshall. Most provisions of the act become effective on Jan. 1, 2019. (Referred to the House Committee on Commerce, Labor and Economic Development, Rep. Les Mason, Chair)

ENERGY AND NATURAL RESOURCES

SB 194 – Grants the boards of groundwater management districts the right to increase the maximum water withdrawal charge from \$1.50 for each acre-foot to \$2.00 for each acre-foot. *(Passed by the Senate on a vote of 34-5. Referred to the House Committee on Water and Environment, Rep. Tom Sloan, Chair)*

HB 2726 – Authorizes the Kansas Water Office to issue and sell \$50,000,000 of revenue bonds for the purpose of funding a non-corn irrigation grant program and a low-water-use crop grant program. The programs would be administered by the Kansas Department of Agriculture in cooperation with the Kansas Water Office. The bill sets a maximum grant level for both programs. The low-water-use program would allow grants for the growing of “stable magnolia,” which is defined as “any part of the plant *cannabis sativa*.” (Referred to the House Committee on Water and Environment, Rep. Tom Sloan, Chair)

HB 2732 – Authorizes the Division of Conservation of the Kansas Department of Agriculture to create and administer water banks under the Kansas Water Banking Act. A bank charter for a water bank must be approved by the Chief Engineer before beginning operation. Specifies the powers of a chartered water bank and establishes the water bank administration fee fund. (Referred to the House Committee on Water and Environment, Rep. Tom Sloan, Chair)

FINANCIAL SERVICES

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SB 283 – Imposes time restrictions for notifying the State Bank Commissioner when there is a change of control of a state-chartered bank, bank holding company, or trust company. Allows a waiver of certain notifications if the bank or trust company is under a formal corrective action. Also broadens the experience requirements for the position of Deputy Commissioner for the Banking Division. *(Passed by the House on a vote of 122-0. Awaiting further action by the Senate)*

HEALTH CARE

HB 2232 – Originally introduced during the 2017 Legislature, the bill now, as amended, would allow a resident of an adult care home, or a resident’s guardian or legal representative, to conduct authorized electronic monitoring in the resident’s room subject to requirements set out in the bill. The bill would define applicable terms and establish guidelines for monitoring. Authorized electronic monitoring means placing one or more electronic monitoring devices in the room of an adult care home resident and making recordings with such devices after notifying the adult care home of the resident’s intent to conduct electronic monitoring. *(The Senate Committee on Health and Public Welfare, Sen. Vicki Schmidt, Chair, has recommended passage of the amended bill.)*

HB 2106 – Originally introduced during the 2017 Legislature, the bill now, as amended, would authorize the Secretary of Aging and Disability Services (Secretary) to grant a treatment facility licensed by the Secretary under the Alcohol or Other Drug Addiction Treatment Act and also accredited by the Commission on Accreditation of Rehabilitation Services, The Joint Commission, the Council on Accreditation, or another national accrediting body approved by the Kansas Department for Aging and Disability Services (KDADS), a license renewal based on such accreditation. The Secretary’s grants would be referred to as “deemed status.” An accredited treatment facility that loses accreditation would be required to notify KDADS immediately. The bill also provides for inspection of accredited treatment facilities to determine compliance. *(The Senate House Committee on Health and Public Welfare, Sen. Vicki Schmidt, Chair, has recommended the amended bill be passed.)*

SB 312 – As amended by the Senate Committee on Public Health and Welfare, the bill would add “dental therapists” to the list of licenses under the Kansas Dental Practices Act beginning July 1, 2020. Practicing as a dental therapist would require being a licensed dental hygienist, passing a comprehensive competency-based clinical examination approved by the Kansas Dental Board (Board), receiving 500 hours of clinical training, and having a professional liability insurance policy. The Board would be required to adopt rules and regulations regarding the licensure of dental therapists. A person would be authorized to practice as a dental therapist if he or she works under the supervision of a dentist licensed in Kansas in accordance with a written supervising agreement. Supervising dentists would be limited to supervising no more than three dental therapists. A supervising dentist must be either employed by an indigent health care clinic or enrolled as a Medicaid provider. *(The Senate Committee on Health and Public Welfare, Sen. Vicki Schmidt, Chair, has recommended passage of the bill as amended.)*

HB 2501 – Would segregate certain fees from the State General Fund. Under the current law, most fees collected by the Kansas Department for Aging and Disability Services (KDADS) are deposited in the State General Fund. The bill would change the disposition of funds and create the Health Occupations Credentialing Fee Fund for deposit of such fees. *(The House Committee on Health and Human Services, Rep. Dan Hawkins, Chair, has recommended that the bill be passed.)*

HB 2031 – Originally introduced during the 2017 Legislature, the bill now, as amended by the House Committee of the Whole and the Senate Committee on Public Health and Welfare, would create the Palliative Care and Quality of Life Interdisciplinary Council (Council) and the State Palliative Care Consumer and Professional Information and Education Program (Program) within the Kansas Department of Health and Environment (KDHE). The Council would be responsible for developing recommendations and advising KDHE on matters related to evaluation of palliative care initiatives in the state and on the effectiveness of the Program. The Program’s purpose would be to

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maximize the effectiveness of palliative care initiatives in the state by ensuring comprehensive and accurate information and education about palliative care is available to the public, health care providers, and health care facilities. The bill would also define “palliative care.” (The Senate Committee on Public Health and Welfare has recommended passage of the bill as amended, Sen. Vicki Schmidt, Chair.)

INSURANCE

Sub for HB 2103 – As originally introduced by the House Committee on Insurance, the bill would have mandated health insurance plans and contracts on and after July 1, 2017, to provide coverage for amino-acid-based elemental formula regardless of the delivery method. The House Committee recommended a substitute bill that would limit this coverage to the house for a one-year (“test track”) period and require a report to the 2020 Legislature. The substitute bill now would require the State Employees Health Plan (SEHP) to provide coverage for amino-acid-based elemental formula regardless of delivery method for the diagnosis or treatment of food-protein-induced enterocolitis syndrome, as lawfully prescribed. This coverage would begin at the start of the next plan year (January 1, 2019). (The House Committee on Insurance has recommended passage of the substitute bill, Rep. Jene Vickrey, Chair.)

SB 417 – Would amend the Kansas Insurance Code (Chap. 40 of the K.S.A.s) to provide for the Kansas Contraceptive Equity Act. Under the bill, health plans must cover contraceptives and related services. Exceptions are applicable to appropriate religious employers and limited-coverage benefit plans (e.g., dental- or accidental-only insurance). (Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Jeff Longbine, Chair.)

REAL ESTATE AND CONSTRUCTION

HB 2506 – Redefines what does and does not constitute “abandoned property” under current law. Also redefines what is considered a “blighting influence.” Also grants to the governing body of any city the right to file a petition with the district court to take temporary possession of abandoned property. Specifies information that must be contained in the petition. Also sets the time frame for seeking title to the abandoned property and gives the governing body of a city or the county commission the right to sell the property if it has not been rehabilitated in accordance with the approved rehabilitation plan. *(Passed by the House on a vote of 90-32. Referred to the Senate Committee on Ethics, Elections and Local Government, Sen. Elaine Bowers, Chair)*

HB 2727 – Requires all contracts for the sale of real property to contain specific language relating to the disclosure of mineral rights. (Referred to the House Committee on Water and Environment, Rep. Tom Sloan, Chair)

TAXES

HB 2740 – Increases the statewide 20-mill levy for school districts to 26.76 mills for school year 2018-2019, 32.82 mills in school year 2019-2020 and 38.43 mills in school year 2020-2021. (Referred to the House Committee on Taxation, Rep. Steve Johnson, Chair)

HB 2748 – Reduces the state sales tax on food and food ingredients to 4% during calendar year 2019 and to 2% during calendar year 2020. Specifies numerous items that would not be eligible for the reduction. (Referred to the House Committee on Taxation, Rep. Steve Johnson, Chair)

Kansas Legislative Insights is a publication developed by the Governmental Relations & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session, it focuses on issues involving health care, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, employment, and workers compensation. Bill summaries are by

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necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

KANSAS LEGISLATIVE INSIGHTS EDITORS



Jim Maag

jmaag1@cox.net
785.806.3472



James P. Rankin

jrankin@foulston.com | [View Bio](#)
785.233.3600

Jim Maag and James P. "Jim" Rankin are co-editors of Foulston Siefkin's Kansas Legislative Insights. Jim Maag, a non-lawyer Governmental Affairs Consultant to Foulston Siefkin's Governmental Relations & Public Policy Practice Group, provides legislative monitoring and lobbying services for our governmental relations clients. Mr. Maag has had a distinguished career in governmental matters and banking, most recently serving as President of the Kansas Bankers Association. He has been involved in the Kansas legislative process for more than four decades as a legislator, administrator or lobbyist. As a partner at Foulston Siefkin, Mr. Rankin's practice focuses on employee benefits law relating to public, private, governmental, and tax-exempt organizations. A large part of his work involves insurance regulatory and compliance issues in many industries, including health care. Mr. Rankin has been selected by peers for inclusion in *The Best Lawyers in America*[®] and the Missouri & Kansas *Super Lawyers*[®] list. He is the firm's representative with State Law Resources, Inc., a national network of independent law firms selected for their expertise in administrative, regulatory, and government relations at the state and federal level.

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PRACTICE AREAS

- Government Affairs & Public Policy Law