

NEWSLETTERS



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | FEBRUARY 7, 2020

WEEK FOUR OVERVIEW

The Kansas Department of Revenue released the January Kansas-only revenue collections, which were above estimates. Both the House and Senate held floor debates this week on the abortion resolution and other matters. Also, the budget subcommittees in both chambers started review of state agency budget requests.

The Legislature closed on Wednesday to celebrate the Kansas City Chiefs Super Bowl victory.

Attorney General Derek Schmidt addressed the Senate Public Health and Welfare Committee to answer questions about pending lawsuits regarding the Affordable Care Act (ACA).

The Senate Committee is expected to vote on Medicaid expansion next week.

HOUSE AND SENATE FLOOR DEBATE

On Tuesday, the Senate debated and passed Senate Bill 157, which would amend the revised Kansas Family Code statute governing temporary parenting plans to add several presumptions. The bill also would amend the parenting plan definitions statute to add definitions of “equal parenting time,” “joint legal custody,” and “parenting time.” The bill passed 39-1.

On Thursday, the House of Representatives debated Senate Concurrent Resolution 1613 that would place a constitutional amendment giving the Legislature the authority to regulate abortion in Kansas on the August primary election ballot. The resolution passed on a roll-call vote with 80 votes to forward it to final action. There were several members absent or not voting. The resolution must have a two-thirds vote (i.e., 84 votes in the House) to be placed on the election ballot. As of Friday afternoon, when this newsletter was published, the final House vote was unavailable on a four-hour call-of-the-House effort to find two or three more votes in favor of the resolution. As of publication time, the House has not been able to take final action on the measure.

DEADLINES

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The deadline for individual bill requests was Monday, Feb. 3, 2020. Individual bills must be introduced by next Wednesday, Feb. 12, 2020. Next Monday, Feb. 10, 2020, is the deadline for Committee bill requests. The influx of bills introduced will increase substantially next week.

DEPARTMENT OF REVENUE UPDATE

On Monday, the Kansas Department of Revenue announced that the January-only tax revenue was \$723 million. This is 8.76% or \$58 million more than the November revised consensus estimates. Year-to-date, revenue is up more than \$105 million more than the November revised estimates. Compared with January 2019, revenue is \$256.8 million or 6.46% more than this time last year.

The Department of Revenue noted that retail sales tax collections were \$220.8 million, which is \$8.8 million or 4.2% more than estimated. Compensating use tax collections saw a 26.9% increase compared with last January with \$52.6 million in collections. This is \$7.6 million or 16.8% more than estimated. The increase was attributed to online shopping trends and the increase in the number of remote retailers registering to collect and remit the compensating use tax that is due and owed to the state.

On Thursday afternoon, the House Tax Committee heard HB 2538, which increases the Kansas standard deduction as follows: single individual, \$4,000; married, \$8,000; and head of household, \$6,000. It would be effective for all tax years commencing after Dec. 31, 2020.

Given the good news on revenue and given that this is an election year, both the House and Senate Tax Committees will consider tax-reduction options.

BILL INTRODUCTIONS

COURTS, LAWS AND REGULATIONS

SB 359 – Would remove the existing \$7,000 cap on prearranged funeral benefits. Referred to the Senate Committee on Public Health and Welfare, Sen. Gene Sullentrop, Chair. A hearing has been scheduled for the matter on Feb. 13, 2020.

HB 2554 – Would completely replace the existing Kansas Uniform Principal and Income Act by updating Kansas law to the new 2018 model act. The idea is that Kansas law should be revised to reflect changes in the design and operation of modern trust instruments. The new name of the act is the Uniform Fiduciary Income and Principal Act (UFIPA). The big policy change is intended to permit fiduciaries more flexibility in pursuing total return investing. Referred to the House Committee on Judiciary, Rep. Fred Patton, Chair.

HB 2563 – Would increase the minimum age to purchase or possess cigarettes and tobacco products from 18 to 21. The proposal would also prohibit cigarette vending machines and flavored vaping products. Referred to the House Committee on Federal and State Affairs, Rep. John Baker, Chair. A hearing has been scheduled for this matter on Feb. 13, 2020.

SB 361 – Would, in recognition of an employee's rights under the First Amendment, afford public and certain professional employees flexibility in stopping the automatic withholding of organization dues. If passed, the proposal would be a blow to the public employee unions. Referred to the Senate Committee on Commerce, Sen. Julia Lynn, Chair. A hearing has been scheduled for this matter on Feb. 12, 2020.

HEALTHCARE

SB 357 – Would enact a law to prevent so called "surprise billing" by healthcare providers. The bill is introduced by Sen. Barbara Bollier of Johnson County. It seems to be designed as a Kansas companion to the Stop Surprise Medical Bills Act, which has been floating in Congress during the last year. Basically, the bill would provide patients

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with recourse concerning unexpected, emergency, post-emergency, and out-of-network care. Referred to the Senate Committee on Financial Institutions and Insurance, Sen. Robert Olson, Chair.

HB 2551 – Would amend the act for mentally ill persons to provide that when a temporary custody order is issued, the court may further prohibit the person named in the order from possessing a firearm and require such person to petition to reinstate his or her right to possess a gun. Notification and reinstatement procedures are provided. Referred to the House Committee on Judiciary, Rep. Fred Patton, Chair.

HB 2556 – Would establish insurance coverage parity for orthotic and prosthetic devices. Referred to the House Committee on Insurance, Rep. Jene Vickrey, Chair.

HB 2557 – Would cap a health insurance policyholder's individual cost-share obligation for a 30-day supply of the prescription insulin drug at \$100, regardless of the quantity or type of prescription insulin drug required to fill the covered person's prescription or whether the covered person takes multiple prescription insulin drugs per month. Introduced by the House Committee on Insurance, Rep. Jene Vickrey, Chair.

SB 364 – Would amend the existing law to provide for a Newborn Screening Act. The proposal would establish an advance universal newborn screening program to be administered by the Secretary of Health and Environment. The Secretary would be given some discretion to require screening for specific health conditions. Generally, the list of conditions would include those listed by the United States Secretary of Health and Human Services in its recommended screening panel. Introduced by the Senate Committee on Ways and Means, Sen. Carolyn McGinn, Chair.

TAXATION

HB 2553 – Would modify the Kansas income tax law to minimize the adverse state tax impact on global intangible low taxed income (GILTI). This is seen as a necessary business-friendly measure. Other adjustments would assist entities making capital contributions and paying FDIC premiums. Referred to the House Committee on Taxation, Rep. Steven Johnson, Chair.

HB 2567 – Would increase the Kansas income tax subtraction (from federal adjusted gross income) modification for Social Security income for taxpayers whose federal adjusted gross income is more than \$75,000. Referred to the House Committee on Taxation, Rep. Steven Johnson, Chair. A hearing has been scheduled for this matter on Feb. 12, 2020.

INSURANCE

HB 2558 – Would amend the Kansas Uniform Securities Act to establish a victim restitution fund. Introduced by the House Committee on Insurance, Rep. Jene Vickrey, Chair.

Kansas Legislative Insights is a publication developed by the Governmental Relations & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session, it focuses on issues involving health care, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

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