SUPPLEMENT TO
PRELIMINARY SUMMARY OF LEGISLATION
2025 KANSAS LEGISLATURE

KLRD

Providing objective research and fiscal analysis for the Kansas Legislature

This updated version of the March 27, 2025, publication contains summaries of selected bills passed by the Legislature from March 24 to adjournment on March 27. Bills that have not yet been signed by the Governor are included.

The first *Preliminary Summary* containing summaries of major bills that were passed through March 21, 2025, was distributed on March 27, 2025. A final supplement will be mailed after the wrap-up session in April.

Highlights, a summary of major legislation in newsletter form, will be prepared and mailed to legislators as soon as possible after the Session. *Summary of Legislation*, which accounts for all bills passed by the 2025 Legislature, will be distributed at a later date.

These documents are available on the Kansas Legislative Research Department's website: https://klrd.org/.

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AGRICULTURE AND NATURAL RESOURCES

Hunting and Fishing; HB 2028

HB 2028 amends law concerning the resident senior combination hunting and fishing pass and the Kansas kids combination lifetime hunting and fishing license (license). The bill also prohibits non-residents from hunting migratory waterfowl during certain times and in certain places, requires the Kansas Department of Wildlife and Parks (KDWP) to present certain data in a report to the Legislature, and changes the fees for migratory waterfowl habitat stamps.

Combination Hunting and Fishing Passes and Licenses

Resident Senior Combination Hunting and Fishing Pass

The bill revives law authorizing the KDWP to offer a resident senior combination hunting and fishing pass and remove the sunset date. These provisions allowed any Kansan age 65 or older to purchase a discounted lifetime hunting and fishing permit. The provisions expired on June 30, 2020, and the bill states the provisions would be effective as of January 1, 2025.

Kansas Kids Combination Lifetime Hunting and Fishing License

The bill allows licenses to be issued by the Secretary of Wildlife and Parks to children 5 years or younger for $300, and to children from ages 6 to 15 years for $400.

The bill also removes the sunset for the license provisions that are currently set to expire on July 1, 2032.

Migratory Waterfowl Hunting and Habitat Stamps

Non-resident Hunting Prohibition

The bill prohibits non-residents from hunting migratory waterfowl during the hunting season except on Sundays, Mondays, and Tuesdays.

The bill defines “non-resident” as any person who has not been a *bona fide* resident of Kansas for the immediately preceding 60 days. “Non-resident” does not include a non-resident lifetime license holder or a non-resident entitled to resident licenses, permits, stamps, and other issues as authorized in law.

This prohibition applies to:

- “Department lands and waters” which means lands, water, and facilities that are under the jurisdiction and control of the Secretary of Wildlife and Parks through ownership, lease, license, cooperative agreement, memorandum of understanding, or other arrangement, including, but not limited to, state parks, state lakes, recreational grounds, wildlife areas, sanctuaries, fish hatcheries, natural areas, and historic sites; and

- Federal lands and waters owned by the United States and administered by:
  - The Secretary of the Army, U.S. Army Corps of Engineers, at the Bill Hill, Clinton, Council Grove, El Dorado, Elk City, Fall River, Hillsdale, John Redmond, Kanopolis, Marion, Melvern, Milford, Perry, Pomona, Toronto, Tuttle Creek, and Wilson reservoirs and Missouri River fish and wildlife mitigation lands, including, but not limited to, Benedictine Bottoms, Burr Oak, Dalbey, Elwood, and Oak Mills;
  - The U.S. Department of the Interior, Bureau of Reclamation, at Cedar Bluff, Cheney, Glen Elder, Lovewell, Norton, and Webster reservoirs; and
- The U.S. Department of the Interior, U.S. Fish and Wildlife Service, at Flint Hills National Wildlife Refuge, Quivira National Refuge, Marais Des Cygnes National Wildlife Refuge, and Kirwin National Wildlife Refuge.

The non-resident hunting prohibition does not apply to:

- Property enrolled and designated as walk-in hunting access areas or interactive walk-in hunting access areas;
- Navigable rivers in Kansas; or
- The conservation order for light geese season, as provided in federal law.

The bill requires the KDWP to compile certain data into a report to provide to the House Committee on Agriculture and Natural Resources and Senate Committee on Agriculture and Natural Resources on January 31, 2026, and January 31, 2027.

The provisions of the bill that apply to non-resident hunting prohibitions will sunset on July 1, 2028.

Fees for Migratory Waterfowl Habitat Stamps

The bill changes the fees for a migratory waterfowl habitat stamp (stamp). The current fee for the stamp is a maximum of $8 for any hunter. The bill creates separate fees for resident and non-resident hunters:

- The resident fee is a maximum of $20; and
- The non-resident is a maximum of $100.

Effective Date

The bill takes effect upon publication in the *Kansas Register*.

Kansas Department of Agriculture Programs; Conservation Reserve Enhancement Program; Weights and Measures; HB 2255

HB 2255 makes changes to two programs in the Kansas Department of Agriculture (KDA): the Conservation Reserve Enhancement Program (CREP) and the Weights and Measures Program.

Conservation Reserve Enhancement Program

[*Note:* CREP is a federal and state partnership created to enhance water conservation efforts in the Upper Arkansas River corridor, from Hamilton County to Rice County. Enrollment in CREP is voluntary, and a producer must enroll in the program to participate. The producer receives rental payments and other incentive payments to permanently retire state water rights on the producer's enrolled acres.]

Enrolled CREP Acres

The bill increases the aggregate total number of acres in the state enrolled in CREP from 40,000 to 60,000, with the exception of the last eligible enrollment that would exceed 60,000 acres.

The bill clarifies that:

- The aggregate total number of acres enrolled in all CREPs in any one Kansas county cannot exceed 20 percent of the statewide acreage cap, with the exception of the last eligible enrollment that would exceed the cap for any one county;

- An acreage is not be eligible for CREP enrollment if it is otherwise ineligible for enrollment under federal law; and

- No more than 1,600 acres may be enrolled in CREP in one county in the same calendar year unless the Secretary of Agriculture, in consultation with the Chief Engineer of the Division of Water Resources (DWR), certifies the Chief Engineer has determined:

    - The acreage is in an area where an impairment is occurring and enrolling the acreage in CREP will be responsive to the impairment; or

    - The acreage is less than 5 miles from a portion of the aquifer with less than 10 years of usable life.

CREP Land Practices

The bill allows DWR, if approved by the U.S. Department of Agriculture, to approve a CREP contract that allows for the establishment of native grasses, routine grazing, dryland farming, or limited irrigation practices for the purpose of meeting water quantity goals.

Administration Criteria

The bill requires DWR to administer each CREP established for the purpose of meeting water quantity goals, in accordance with the following criteria:

- All acreage that is an authorized place of use of an irrigation water right and is proposed to be enrolled in CREP will have been irrigated at a rate of not less

than ½ acre-foot per acre per year for three out of the five years immediately preceding the year that the acreage is offered for enrollment, as determined by DWR;

- The water right or water rights used for the acreage proposed to be enrolled in CREP will not have been the subject of any sanctions or penalties by DWR that are in effect or pending determination at the time that the acreage is offered for enrollment; and

- The owner of the water right or water rights for which the acreage that is proposed to be enrolled in CREP is an authorized place of use, or the water use correspondent for such water right will have submitted the annual water use report required by KSA 82a-732 for each of the most recent ten years.

Exceptions to Eligibility Criteria

The Secretary of Agriculture, in consultation with the Conservation Program Policy Board and State Conservation Commission and the Kansas Farm Service Agency office, may grant exceptions to the eligibility criteria if the acreage proposed to be enrolled in CREP satisfies one or more of the following conditions:

- Located in an area designated as a high-priority area for water conservation pursuant to KSA 2024 Supp. 82a-1044;

- An authorized place of use of a high flow capacity water well;

- An authorized place of use of a water right that was not utilized in accordance within the time frame in law due to circumstances involving bankruptcy, probate, or other legal matters, excluding those related to any enforcement sanctions or penalties by DWR that are in effect or pending determination at the time that the acreage is offered for enrollment in CREP; or

- An authorized place of use of a water right that is or has been enrolled in a water conservation program, including, but not limited to, the U.S. Department of Agriculture Environmental Quality Incentives Program or a water conservation area pursuant to KSA 81a-745, or has been assigned a water quantity allocation pursuant to an intensive groundwater use control area or a local enhanced management area.

Reporting Requirements

The bill updates the KDA's reporting requirements to the Legislature. The KDA is required to report the following information to the Senate and House Committees on Agriculture and Natural Resources:

- The acreage enrolled in CREP during the preceding five years;

- The dollar amounts received and expended for CREP during the preceding five years; and

- An assessment of whether each of the program objectives identified in the agreement with the Farm Services Agency has been met.

The bill also updates the additional information that KDA is required to report for each CREP that is established with the purpose of meeting water quantity goals:

- The total amount of water, measured in acre-feet, that was permanently retired in CREP during the preceding five years;

- The change in groundwater water levels in the CREP area during the preceding five years;

- The total annual water usage in the CREP area during the preceding five years; and

- The average annual water use, measured in acre-feet, under each water right for which an authorized place of use is enrolled in CREP during the preceding five years.

Weights and Measures

The bill changes the fees for weights and measures inspections and reorganizes portions of Chapter 83 of the *Kansas Statutes Annotated* regarding weights and measures.

Changes to Weights and Measures Fees

The bill updates the weights and measures fee schedule chart in statute and increases the fees to the amounts listed in the following chart.

Calibration Types	Calibration Ranges (Weight Set unless otherwise noted)	Calibration Fee	Adjustment Fee
Mass Echelon III (ASTM Class: 5, 6, 7)	Up to 10 lb, up to 5 kg	$120/set	$20/pc in the set
Mass Echelon III (NIST Class: F)	Up to 10 lb, up to 5 kg	$10/pc	$20/pc
Mass Echelon III (OIML Class: MI, MI-2, M2, M2-3, M3)	Over 10 lb up to 50 lb, over 5 kg up to 30 kg	$25/pc	$50/pc
	Over 50 lb up to 1,250 lb, over 30 kg up to 500 kg	$35/pc	$70/pc
	Over 1,250 lb up to	$70/pc	$45/pc

Calibration Types	Calibration Ranges (Weight Set unless otherwise noted)	Calibration Fee	Adjustment Fee
	3,000 lb		
	Weight Cart, 2,500 lb up to 6,000 lb	$250/pc	$170/pc
	Weight Cart, over 6,000 lb up to 8,000 lb	$350/pc	$225/pc
Mass Echelon II (ASTM Class: 2, 3, 4) (OIML Class: F1, F2)	Up to 1,000 lb, up to 500 kg	$40/pc	$80/pc
Mass Echelon I (ASTM Class: 0, 1) (OIML Class: E1, E2)	500 lb, up to 30 kg	$75/pc	$75/pc
Volume Echelon II	5 gal	$70/pc	Due to the calibration procedure, adjustment is included in the cost of calibration.
	Over 5 gal up to 100 gal	$240/pc	
	Over 100 gal up to 200 gal	$300/pc	
	Over 200 gal up to 500 gal	$500/pc	
	Over 500 gal up to 1,000 gal	$900/pc	
	Over 1,000 gal up to to 1,500 gal	$1,200/pc	
	LPG, 20 gal up to 100 gal	$460/pc	
Volume Echelon I	Up to 5 gal	$310/pc	$310/pc
Thermometry Echelon IV	-35 degrees Celsius up to 150 degrees Celsius	$90/point	$90/point

[*Note:* According to the KDA, there are different categories for each of the echelons based on the size of weights and the degree of accuracy needed for the weights. The category of up to 10 pounds applies to scales in grocery stores. The 10 pounds to 50 pounds category is small feed manufacturing scales used, for example, in pet food manufacturing. Larger weights include grain cart scales or larger feed manufacturing scales.

Smaller metrology weights come in sets that are in a small box with multiple weights. Larger versions of these weights may be in sets or single weights (pieces or pc). Companies request calibrations to be done by the set or individual pieces. Adjustment fees are a separate charge, as adjustments take time for a metrology lab to complete. Adjustments are made by adding or subtracting lead shot to the weight's cavity.]

In addition, the bill states that service that is not part of a routine calibration, including, but not limited to, cleaning or repairing a standard or performing non-routine calibration procedures, will be charged at a rate of $120 per hour.

Point-of-Sale System

The bill amends the definition of "point-of-sale system" to include electronic applications, software, and online purchasing systems.

The bill also makes it unlawful to limit, exclude, or otherwise fail to provide access to generic, store brand, or less costly versions of products on electronic and online ordering applications or similar systems unless such items are out of stock or unavailable for in-store purchase.

Reorganization of Statutes

Currently, Chapter 83 of the *Kansas Statutes Annotated* regarding weights and measures is divided into five articles that contain many similar sections regarding definitions, licensing and regulations, penalties for violations, administrative procedures, and severability. The bill consolidates and reorganizes these sections into Articles 2 and 5 of Chapter 83 and repeals current sections.

BUSINESS, COMMERCE, AND LABOR

Prohibiting Certain Restrictive Covenants; SB 241

SB 241 prohibits certain restrictive covenants from being considered a restraint of trade pursuant to the Kansas Restraint of Trade Act and creates a presumption in law that such covenants are enforceable.

The bill requires the court to modify a restrictive covenant if it is presumed to be unenforceable pursuant to continuing law and determined to be overbroad or not reasonably necessary to protect the business interest of the business entity seeking enforcement of the covenant, enforce the covenant as modified, and grant only the relief reasonably necessary to protect such interests.

Written Covenants

The bill adds provisions for the enforceability of certain written covenants in which one party agrees not to solicit, induce, persuade, encourage, direct, or otherwise interfere with another party. The bill also adds a provision for the enforceability of certain written notice of termination agreements. The standards for determining enforceability will differ based on the contents of the agreement.

Owner Agrees Not to Solicit Employees or Other Owners

Such written covenants between a business entity and an owner of the business entity are enforceable if the covenant does not continue for more than four years following the owner's business relationship with the business entity, and the prohibited solicitation is for the purpose of interfering with the employment or ownership relationship of such employees or owners.

Owner Agrees Not to Solicit Business's Customers

Such written covenants between a business entity and an owner of the business entity are enforceable if the covenant is limited to material contact customers, as defined by the bill, and does not continue for more than four years following the end of the owner's business relationship with the business entity.

Employee Agrees Not to Solicit Entity's Employees or Owners

Such written covenants between a business entity and an employee of the business entity are enforceable if the purpose of such solicitation is for the purpose of interfering with the employment or ownership of such employees or owners and if:

- The employer seeks to protect confidential or secret trade information or customer or supplier relationships, goodwill, or loyalty; or

- The covenant does not continue for more than two years following the employee's employment.

Employee Agrees Not to Solicit Customers

Such written covenants between a business entity and employee of the business entity are enforceable if it is limited to material contact customers and does not continue for more than two years following the end of the employee's employment.

Owner Agrees to Prior Notice of Termination

Covenants in which an owner agrees to provide prior notice of owner's intent to terminate ownership in a business entity are presumed to be enforceable.

Defense at Law or in Equity

The bill permits an employee or owner to assert any applicable defense available at law or in equity for the court's consideration in a dispute regarding a written covenant.

Definitions

The bill defines the following terms:

- "Employee": a current or former employee that agreed to a written covenant;
- "Material contact customer": any customer or prospective customer that is solicited, produced, or serviced, directly or indirectly, by the employee or owner at issue or any customer or prospective customer about whom the employee or owner, directly or indirectly, had confidential business or proprietary information or trade secrets in the course of the employee's or owner's relationship with the customer; and
- "Owner": a current or former owner or seller of all or any part of the assets of a business entity or any interest in a business entity, including, but not limited to a:
  - Partnership interest;
  - Membership interest in a limited liability company or series limited liability company; or
  - Any other equity or ownership interest.

Solicitations for Filing Documents with or Retrieving Documents from Federal, State, or Local Government; HB 2118

HB 2118 requires certain solicitations to provide specific notice requirements and subjects notice violations to penalties under the Kansas Consumer Protection Act (KCPA).

The bill applies to any person who directly advertises to a person (solicits) a fee for filing a document with, or retrieving a copy or certified copy of a certificate or public record from, the

federal government, the State, a state agency, or a local government. The bill does not apply to the federal government, the State, a state agency, or a local government.

The bill does not consider the following a solicitation:

- Consumer-initiated communications; or
- Advertising or marketing to a consumer with whom the solicitor has a current or former commercial relationship.

Notice Requirements

Statements

The bill requires a statement in the solicitation stating, “This is an advertisement. This offer is not being made by, or on behalf of, any government agency. You are not required to make any payment or take any other action in response to this offer.”, or another substantially similar statement.

For solicitations in writing, the statement is required to be in at least 24-point type and located at the top of the physical document or at the beginning of the electronic communication.

If the solicitation is mailed, the bill requires the words, “THIS IS NOT A GOVERNMENT DOCUMENT” in 24-point type and all capital letters on the envelope, outside cover, or wrapper.

Information

The bill requires the solicitation to include:

- The name of the person making the solicitation;
- Such person’s physical address, which could not be a post office box; and
- Information on where the consumer can file a document directly with the Secretary of State or retrieve a copy or certified copy of a certificate or public record.

Restrictions

The bill prohibits the solicitation to be in a form or use deadline dates or other language that makes the document appear to be issued by a government entity or appears to impose a legal duty on the person being solicited.

Consumer Protection Penalties

The bill makes a violation of the notice requirements listed above a deceptive act or practice under the KCPA.

The bill also specifies that, for the purposes of the remedies and penalties provided by the KCPA, the person committing the conduct prohibited by the bill is deemed the supplier, and the person who is the victim of such conduct is deemed the consumer.

Local Economic Development Program Reporting; HB 2304

HB 2304 requires certain reporting of local economic development programs, which will be included in the transparency database hosted by the Department of Commerce (Department).

Definitions

The bill defines a local government for this purpose as:

- Any city, county, or unified government, or any subdivision thereof; or
- Any instrumentality of a city, county, or unified government, established for the purpose of economic development of such city, county, or unified government, that is funded in whole or in part by such local government.

The bill amends the definition for "recipient" to mean the enterprise, identified by the business name filed with the Secretary of State, that is the original applicant for and receives proceeds from an economic development incentive program directly from the administering agency. "Recipient" includes an enterprise that is no longer solvent due to bankruptcy and a recipient with respect to an economic development project that has failed.

If the recipient is an enterprise, created primarily for the purpose of the economic development project, "recipient" includes the enterprise or enterprises, partners, or principals that own or, individually or with other enterprises, have a controlling interest in the recipient.

The bill also updates the definition of "searchable website or web page" to mean a website or web page that allows the public to search and aggregate the information identified and required, including requirements that the website or web page offers users the ability to:

- Efficiently search and display data at least by:
  - Economic development incentive program;
  - Recipient;
  - Location of the economic development project by county; and
- Calculate incentive totals for each category claimed by year and search by year.

Reporting on Local Government-based Economic Development Programs or Incentives

The bill requires data from local government-based economic development programs or incentives, including but not limited to:

- Community improvement districts;
- Tax increment financing;
- Business improvement districts;
- Self-supported municipal improvement districts;
- Neighborhood revitalization act;
- Downtown redevelopment act;
- Transportation development districts;
- Public improvement districts;
- Industrial development bonds, and
- Any other economic development incentive, including any grant, loan, lease, land acquisition, site preparation, utilities, facilities, streets or roadways, workforce development, workforce training, or any other incentive offered by the local government and accepted by the recipient that may be quantified as to the value provided to the recipient.

The bill extends incentive data collection to include local governments. The bill requires the data to be available on a database that is a searchable website or web page and permits searches by a user of such information by economic development incentive program, county, and recipient by means of an easily accessible drop-down menu or other similar prompt, to search at least by keyword or phrase within separately identified categories of economic development incentive program, county, and recipient name.

The bill also requires the information applicable to the search result to be available in one printable or downloadable report and that report to provide a summary report with the:

- Total incentives awarded to the recipient;
- Number of years the incentive may be claimed;
- Total unencumbered incentive award that may be claimed; and
- Total incentives that have been claimed by the recipient.

The bill requires the summary report to be provided to the House Committee on Commerce, Labor and Economic Development and the Senate Committee on Commerce on or before January 31 of each year and to disclose the most recent three years of economic

incentives claimed and the total amount of funds committed by the State or the local government that are required to be paid as an incentive over the entire period of the incentive.

The bill requires local governments to provide the Department with all available and reasonably attainable information required for all active economic development incentive programs of such local government commenced prior to July 1, 2025, that provide more than $50,000 in value in annual incentives. This information must be provided within 45 days of execution of the economic development incentive program agreement.

The bill requires providing all information required as a condition of commencing or providing any incentive to a recipient receiving any economic development incentive of more than $50,000 in value in annual incentives on or after July 1, 2025.

The local government is required to provide updates of all applicable information to the Secretary of Commerce (Secretary) at least annually in the manner, form, and at such time as required by the Secretary.

The bill also requires, on and after July 1, 2025, any recipient that will receive more than $50,000 in value in annual incentives from any economic development program provided by a local government or any administering agency to agree to provide all information required as a condition of the award of incentives, as required by the Secretary for publication on the database.

The bill requires all information to be provided to the Secretary in a manner as required by the Secretary. The Secretary is required to make a form or format available for local governments to report information in a simple online format and this form must be available in a digital form.

Required Dates for Local Government-based Economic Development Programs or Incentives

The bill requires information on active economic development incentive programs commenced prior to July 1, 2025 to the Secretary from local governments on or before July 1, 2026, regarding community improvement districts, tax increment financing, business improving districts, self-supported municipal improvement districts, Kansas Neighborhood Revitalization Act, Kansas Downtown Redevelopment Act, transportation development districts, and public improvement districts.

The deadline for information to the Secretary from local governments on active economic development incentive programs commenced prior to July 1, 2025, regarding any grant, loan, lease, land acquisition, site preparation, utilities, facilities, streets or roadways, workforce development, workforce training or any other incentive is set as on or before July 1, 2028.

Additional Changes

The bill removes the requirement for user information regarding sales tax and revenue (STAR) bonds to include the county of recipients.

The bill extends the exemption for information to be disclosed if it violates the confidentiality provisions of any agreement executed from July 1, 2019, to July 1, 2025.

The bill requires the Secretary to provide a report of any information not disclosed on the database commencing on January 31, 2026, based on the preceding fiscal year and the reason why the information was not disclosed.

The bill allows the Secretary to impose an administrative fee not to exceed 1.0 percent of the total incentive, not to exceed $1,000, upon each recipient of an economic development incentive program administered by the Secretary for the purpose of payment of costs incurred for administering and maintaining the database.

Revised Limited Liability Company Act; HB 2371

HB 2371 amends the Revised Limited Liability Company Act (LLC Act) to specify document forms and signature and delivery options, and clarify filing fee limits; amends the Business Entity Transactions Act to modify requirements related to various certificates; and amends the Business Entity Standard Treatment Act to modify registration requirements with the Secretary of State and clarify certain provisions related to resident agent change.

Revised Limited Liability Company Act

Definitions

The bill defines “document” and “electronic transmission” and amends definitions for “manager,” “member,” and “operating agreement.”

Document. The bill defines “document” to mean:

- Any tangible medium on which information is inscribed. “Document” includes handwritten, typed, printed, or similar instruments and copies of such instruments; and

- An electronic transmission.

Electronic transmission. The bill defines “electronic transmission” to mean any form of communication not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases, including one or more distributed electronic networks or databases, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and directly reproduced in paper form by such recipient through an automated process.

Manager. The bill amends the definition of “manager” to specify that it includes a manager of the limited liability company (LLC) generally and a manager associated with a series of the LLC. Unless the context otherwise requires, references in the LLC Act to a manager are deemed to include both a general and series manager.

Member. The bill amends the definition of "member" to specify that it includes a member of the LLC generally and those associated with a series of the LLC. Unless the context otherwise requires, references in the LLC Act to a member are deemed to include both a general and series member.

Operating agreement. Continuing law provides that an LLC is bound by its operating agreement, whether or not it has executed such agreement. The bill amends the definition of "operating agreement" to:

- Specify that these operating agreement provisions include any series of the LLC; and

- Specify that the term may consist of one or more agreements, instruments, or other writings, and include or incorporate one or more schedules, supplements, or other writings containing provisions as to the conduct of the business and affairs of the LLC or any related series.

Documentation, Signature, Delivery, and Receipt

The bill provides that any act or transactions governed by the LLC Act or an operating agreement of an LLC may be provided for in a document. An electronic transmission is considered the equivalent of a written document.

The below provisions apply solely for purposes of determining whether an act or transaction has been documented, and whether the document has been signed and delivered in accordance with the LLC Act and the operating agreement.

Signature. The bill provides that if the LLC Act or an operating agreement requires or permits a signature, such signature could be manual, facsimile, conformed, or an electronic signature. For this purpose, an electronic signature includes an electronic symbol or process that is attached to, or logistically associated with, a document, and executed or adopted by a person who has intent to execute, authenticate, or adopt the document. The bill further specifies that a person could execute a document with such person's signature.

Delivery. Unless otherwise provided in the operating agreement, or agreed between the sender and recipient, an electronic transmission is considered as delivered when it enters an information processing system that was designated by the recipient for the purpose of receiving such transmissions. Such transmission is required to be in a form capable of being processed by such system and retrievable from the system.

Recipient designation of an information processing system is determined by the operating agreement or from the context and surrounding circumstances, including the parties' conduct.

Receipt. Additionally, the bill considers an electronic transmission delivered even if no person is aware of its receipt. Receipt of an electronic acknowledgment from an information processing system is proof that such transmission was received, but will not be proof that the content of the transmission corresponds with what was received.

Uniform Electronic Transactions Act (UETA). The bill clarifies that its provisions regarding documentation, signature, delivery, and receipt do not preclude persons from conducting a transaction in accordance with the UETA, if the part or parts of the transaction governed by the LLC Act are documented, signed, and delivered in accordance with either the bill's electronic transmission provisions or those in the LLC Act.

Exceptions. The bill clarifies that its documentation, signature, delivery, and receipt provisions do not apply to:

- A document filed with or submitted to the Secretary of State, a court, or other judicial or governmental body of the State;
- A certificate of LLC interest, except that a signature on such certificate could be manual, facsimile, or electronic; and
- An act or transaction governed by the Business Entity Standard Treatment Act.

The bill specifies that these exceptions do not create any presumption about the lawful means to document any act or transaction or the lawful means to sign or deliver such document.

Operating agreement restrictions. An operating agreement can only be allowed to limit the application of the signature, delivery, and receipt provisions, unless it expressly restricts one or more means of documenting an act or transaction, or of signing or delivering a document that would otherwise be permitted by the bill.

Federal law. The bill provides that if any provision of the LLC Act is later deemed to modify, limit, or supersede the federal Electronic Signatures in Global and National Commerce Act, the provisions of the LLC Act control to the fullest extent permitted by such federal law.

Subscription

The bill specifies that a subscription for an LLC interest, whether submitted in writing, electronically, or another legal method, is irrevocable to the extent contained in the subscription terms.

Void or Voidable Acts or Transactions

Ratification or waiver. Under the bill, any act or transaction that can be taken by or in respect of an LLC under the LLC Act that is void or voidable when taken may be ratified.

If the act or transaction conflicts with the terms of an operating agreement, such conflict can be waived by the members, manager, or other persons who are required to give approval:

- For such act or transaction to be validly taken; or
- To amend the operating agreement in a manner that would permit the act or transaction to be validly taken, in each case at the time of such ratification or waiver.

Additionally, if the void or voidable act or transaction was the issuance or assignment of any LLC interests, such interests purportedly issued or assigned are deemed not to have been issued or assigned for purposes of determining whether such act was ratified or waived.

Date of act or transaction. Any act or transaction that is ratified, or waived, is deemed validly taken at the time of the act or transaction.

Operating agreement amendment notice. The bill requires notice to be given pursuant to the terms of an operating agreement. If notice is required after a ratification or waiver is effectuated, the bill requires notice be given to members, managers, or other persons who would have been entitled to notice, but who had not otherwise received notice or participated in the ratification or waiver.

Validity of a ratification or waiver. The bill further specifies that its ratification or waiver procedures may not be construed to limit the accomplishment of a ratification or waiver of a void or voidable act by any other means permitted by law.

Judicial review. Under the bill, an LLC or any member, manager, or person claiming to be harmed by a ratification or waiver can file an action in district court. Upon receiving the application, the court can review an act or transaction and make a determination of its validity and the effectiveness of such ratification or waiver.

Application for judicial review is required to name the LLC as a party and service of process to be made to the resident agent of the LLC, which is deemed to be service to the company itself. No other party is required to be joined in order for the court to adjudicate the validity and effectiveness of the ratification or waiver.

The court is allowed to order further or other notice of the application be made by the LLC. The bill provides that these notice provisions would not limit or affect the right to serve process in any other manner and that these provisions are an extension of, rather than a limit on, existing service rights of legal process upon non-residents.

Act or Omission by an Officer

Except as provided in the operating agreement, for any act or omission occurring after June 30, 2025, the bill states that for indemnification purposes, the term “officer” includes an officer of the LLC who:

- Is or was the president, chief executive officer, chief operating officer, chief financial officer, chief legal officer, controller, treasurer, or chief accounting officer of the LLC; or

- Is or was identified in the LLC’s public filings with the U.S. Securities and Exchange Commission, because such person is or was one of the most highly compensated executive officers of the LLC.

Merger or Consolidation

Under continuing law, a domestic LLC may merge or consolidate with one or more LLCs to become a surviving or resulting LLC, per the merger or consolidation agreement. The surviving or resulting LLC is required to file a certificate or merger or consolidation with the Secretary of State. If a domestic LLC is the surviving entity, it is required to state within its certificate any amendments it desires to be made to its articles of organization.

The bill allows the surviving domestic LLC to also amend and restate the articles of organization of the surviving entity in its entirety in the certificate. Additionally, the bill allows such entity to make amendments to its operating agreement. Continuing law also allows a surviving entity to adopt a new operating agreement instead.

Appraisal Rights

Under current law, appraisal rights may be provided in an operating agreement or an agreement of merger or consolidation. The bill provides that there are no statutory appraisal rights, unless provided in either such agreement or under a plan of division. The bill also makes amendments to include a series or division of an LLC when such entity is party to the merger or consolidation.

Division of an LLC

Under continuing law, a LLC may divide itself into two or more domestic LLCs. The dividing company is required to file a certificate of division with the Office of the Secretary of State.

The bill amends provisions of the LLC Act concerning the content of such certificates to allow the dividing company to include any other information it desires. Furthermore, the bill allows a certificate of division to be amended to change the name or business address of a division contact, or to add additional information, if desired. Such amendments are effective upon filing with the Office of the Secretary of State. The agency is required to accept the filing of a certificate of amendment for all division companies, provided at least one such company is in good standing at the time of filing.

Elective amendments. Amendments to a certificate of division can be made by filing a certificate of amendment for each division company that exists as an LLC in the Office of the Secretary of State. Such certificate of amendment is required to include:

- The name of the dividing company and, if changed, the name of the original dividing company;
- The name of the division of the company to which the amendment relates; and
- The amendment to the certificate of division.

Required amendment. Upon becoming aware that the name or business address of the division contact, or other information required to be in the certificate, was false when made, or that such information has changed, either the manager or member (if no manager exists) of the

dividing company is required to amend the certificate. These provisions apply for six years following the date of division, regardless of whether the dividing company is a survivor or no longer exists.

Execution of amended certificates. Unless otherwise provided in a plan of division, or in the certificate, each certificate of amendment is required to be executed:

- If the dividing company is a surviving company, by one or more authorized persons on behalf of the dividing company acting on behalf of the division company to which the certificate of amendment relates; and

- If the dividing company is not a surviving company or no longer exists as an LLC, by one or more authorized persons on behalf of a resulting company acting on behalf of the division company who is the subject of the certificate of amendment.

Each division company is deemed to have consented to the execution of the certificate of amendment.

Membership in a Division Company

The bill amends law to allow an operating agreement to name existing or new members of the LLC. Additionally, the bill creates new provisions to specify the procedure of admitting a new member of a division company. Such members are named in an operating agreement of a division company or in the plan of division. If an inconsistency exists, or the person is being admitted as a member of an LLC, pursuant to a division in which the LLC is not a division company, the terms of the plan of division control.

Examination of LLC Information by Members

Under continuing law, LLC members may examine certain information kept by the LLC, subject to reasonable standards. The bill specifies that such information includes books, records, and other documents. Conforming amendments are made to reference books and other documents within the records provisions. References to written records are replaced with paper records, allowing for the printing of an electronic record.

Additionally, the bill states that a member's right to obtain information under the LLC Act or an operating agreement for a purpose reasonably related to their interest as a member or other stated purpose is necessary and essential to achieving that purpose.

Continuing law allows members to obtain information and allows rights to be restricted by an operating agreement. The bill clarifies that such right may include examination of a record and that such right may be expanded in an operating agreement. The bill states that these information provisions could not be construed to limit the ability of an LLC to expand or restrict the rights of a member or manager to obtain or examine information by any other means permitted by law.

Delegation of Rights, Powers, and Duties

Continuing law allows a member or manager of an LLC to delegate their rights, powers, and duties to manage and control the business and affairs of the LLC to one or more persons.

The bill allows delegation to a committee of one or more persons and would provide that any such delegation could be made irrespective of whether the delegating person has a conflict of interest with respect to the underlying matter and reason for delegation. Persons to whom the rights, powers, and duties are being delegated are not deemed to have the same conflict of interest as the delegating person, unless the conflict exists with that person independently.

LLC Filing Fee

The bill replaces law requiring an application and recording fee of $150 be paid to the Office of the Secretary of State when a LLC files its articles or organization or, if a foreign LLC, its application to do business with provisions allowing the Secretary of State to set such filing fee through rules and regulations, with a limit of $150.

Series LLCs

Continuing law allows an operating agreement to establish or designate a series of members, managers, LLC company interests, or assets. A series is formed by filing a certificate of designation with the Secretary of State. A series has the power and capacity to contract, hold title to assets, sue, and be sued in its own name.

Consolidation. The bill further clarifies that a series could conduct business and exercise the power of an LLC. Additionally, an LLC or any of its series can elect to consolidate its operations as a single taxpayer to the extent required to file consolidated tax returns and elect to be treated as a single business for the purposes of qualification or authorization to do business in Kansas or another state. Such election does not affect liability limitations under the Act except to the extent the series has specifically accepted joint liability by contract.

Merger or consolidation. Under continuing law, a series can merge or consolidate with one or more other series of the same LLC by filing a certificate of merger or consolidation of series with the Office of the Secretary of State. The bill allows the certificate to be amended at a later date. Such amendments can amend and restate the certificate of designation of the surviving series in its entirety.

Voting rights. Continuing law allows an operating agreement to deny voting rights to a member, class, or group of members of a series. The bill allows the operating agreement to also prohibit participation in the management or governance of such series, but still confer ownership of the series to such member, class, or group of members.

Series operating agreement. The bill specifies that an operating agreement may impose restrictions, duties, and obligations on members of the LLC or any series of the LLC as a matter of internal governance, including, without limitation, those with regard to:

- Choice of law, forum selection, or consent to personal jurisdiction;

- Capital contributions;
- Restrictions on, or terms and conditions of, the transfer of membership interests;
- Restrictive covenants, including non-competition, non-solicitation, and confidentiality provisions;
- Fiduciary duties; and
- Restrictions, duties, or obligations to or for the benefit of the LLC, other series, or their affiliates.

Wrongful transfer of property. If a series wrongfully transfers property to another series or the LLC as a whole with an intent to hinder, delay, or defraud creditors of their just and lawful debts or damages, or to defraud, such transfers are deemed void pursuant to continuing law.

Dissolution of a Series or LLC

Dissolution of a series. Under the bill, if an operating agreement provides the manner in which a dissolution of a series is to be revoked, such manner can be followed.

A series dissolution can be revoked if provided for in the LLC's operating agreement, unless:

- The LLC has dissolved and the dissolution was not revoked; or
- The LLC operating agreement prohibits revocation of a series dissolution.

If the series dissolution is revoked, the LLC is not dissolved and its affairs not wound up, prior to filing a certificate of cancellation, the series is continued through one of the following events:

- If the dissolution is effected by the vote or consent of the members associated with the series, or other persons whose approval is required under an operating agreement; or
- In the case of a dissolution not effectuated by a vote or consent, and which occurs either at a time specified in the operating agreement or after the occurrence of certain specified events, is stopped due to an agreement to amend the operating agreement, or approval of members to revoke such dissolution.

If a series is dissolved by dissolution of the LLC, unless a certificate of cancellation of the series' certificate of designation has been filed in the office of the Secretary of State, or the operating agreement prohibits revocation of the dissolution of a series, the dissolution of the series is automatically revoked upon any revocation of the dissolution of the underlying LLC.

The bill further specifies that continuing law and its amendments cannot be construed to limit the revocation of dissolution of a series by other means allowed by law.

Dissolution of an LLC. Continuing law allows for dissolution of an LLC, which may be revoked in certain circumstances. The bill adds provisions to allow an operating agreement to specify persons whose vote, consent, or approval is required for a dissolution of an LLC. Such persons can vote to revoke a dissolution that would have otherwise occurred.

LLC Forfeiture or Cancellation

Under continuing law, a domestic LLC or a foreign LLC may forfeit its articles of incorporation or authority to do business if it fails to update records with the Secretary of State regarding its registered agent or registered office when a change occurs. An LLC can be reinstated by filing a certificate of reinstatement with the Secretary of State and paying certain fees. The bill updates references to the certificate of reinstatement to specify that it applies to an LLC.

The bill specifies that upon filing of the certificate of reinstatement, that reinstatement also applies to each series that has not been terminated and wound up and that other privileges of being reinstated apply to the LLC and any such series.

Statutory Public Benefit Companies

The bill amends and repeals law related to the formation and operation of a statutory public benefit limited liability company (SPBLLC).

Under current law, an LLC may elect to become an SPBLLC. The bill allows an LLC to be formed as an SPBLLC. If an LLC is not formed as an SPBLLC, the bill allows the LLC to become designated as such by the terms of its operating agreement, or by amending its operating agreement and articles of organization to comply with the bill. Current law requires certain provisions to be contained with an SPBLLC's articles of incorporation. The bill makes conforming amendments to require the same information be contained in its operating agreement.

In the event of an inconsistency between the operating agreement and articles of incorporation, the bill specifies that the operating agreement controls among those bound by such agreement. If a manager of the SPBLLC, or if there is no manager, any other member of such, becomes aware that the specified public benefits are inaccurately set forth in the articles of incorporation, such person shall promptly amend such articles. Any provisions of the operating agreement or articles of incorporation that are inconsistent with the provisions of the bill are not effective to the extent of such inconsistency.

Business Entity Transactions Act

The bill makes amendments to provisions related to certain certificates, including certificates of merger, certificates of interest exchange, certificates of conversion, and certificates of domestication.

Certificate of merger. Requirements for certificates of merger are amended to require a statement that the merger will be approved by each merging entity prior to the time the merger becomes effective. Under continuing law, when a merger is effective, the surviving entity's public

organic document is amended as provided in the certificate of merger. The bill allows such certificate to amend and restate the public organic document entirely.

Certificate of interest exchange. Requirements for certificates of interest exchange are amended to require a statement that the interest exchange will be approved by the acquired entity prior to the time the exchange becomes effective. Under continuing law, when an interest exchange is effective, the acquired entity's public organic document is amended as provided in the certificate of merger. The bill allows such certificate to amend and restate the public organic document entirely.

Certificate of conversion. Requirements for certificates of conversion are amended to require a statement that the conversion will be approved by each converting entity prior to the time the conversion becomes effective.

Certificate of domestication. Requirements for certificates of domestication are amended to require a statement that the conversion will be approved by each converting entity prior to the time the domestication becomes effective.

Business Entity Standard Treatment Act

Filings of certificate. The bill makes conforming amendments to require the filing of certain documents addressed by the bill with the Office of the Secretary of State, including certificates of amendment to certificate of designation, and certificates of merger or consolidation of series.

Resident agent standing. The bill requires any domestic entity that serves as a resident agent for a covered entity to be in good standing with the State.

Resident agent name change. Continuing law provides that a merger or consolidation of the resident agent, with or into another entity who succeeds to its assets by operation of law, constitutes a change of name, which requires a records update with the Office of the Secretary of State.

Under the bill, any of the following events are deemed a change of name:

- The conversion of the resident agent into another person; or

- A division of the resident agent in which an identified resulting person succeeds to all of the assets and liabilities of the resident agent related to its resident agent business pursuant to a plan of division, as set forth in a certificate of division.

Resident agent certificate of resignation. Under continuing law, a resident agent for a business may resign without appointing a successor by paying a fee, if authorized by law, and by filing a certificate of resignation with the Office of the Secretary of State. The bill amends law to require the resigning resident agent to provide notice of resignation to the covered entity, rather than each affected entity, at least 30 days prior to filing the certificate.

CHILDREN AND YOUTH

Child Support and Tax Exemption for Unborn Child; HB 2062

HB 2062 amends law regarding child support to require such support be calculated from the date of conception; to require the court to consider the value of a qualified retirement account in determination of child support orders in certain circumstances; and to eliminate the exemption of such accounts from claims to collect child support. The bill also allows a personal exemption for any unborn child for the purposes of income taxation.

Child Support for Unborn Child

The bill requires determination of the child support to be calculated from the date of conception of the child, with accruing interest to be determined by the current statutory rate. The bill limits the maximum amount of child support to the direct medical and pregnancy-related expenses of the mother, excluding any costs related to an elective abortion.

The bill defines the following terms:

- "Elective abortion," to mean an abortion for any reason other than to prevent the death of the mother upon whom the abortion is performed, except that an abortion may not be deemed one to prevent the death of the mother based on a claim or diagnosis that such mother will engage in conduct that would result in such mother's death; and

- "Unborn child," to mean a living individual organism of the species Homo sapiens, in utero, at any stage of gestation from fertilization to birth.

Consideration of Retirement Plan Accounts for Child Support

For purposes of the bill, a qualified retirement plan account is one that is qualified under certain subsections of the federal Internal Revenue Code (IRC) of 1986.

The bill allows courts to consider and order the use of the total value of certain retirement plan accounts if the person has experienced a loss of income or termination from employment due to:

- Loss, revocation, suspension, or surrender of a professional license due to professional misconduct; or
- Voluntary underemployment.

If a parent accumulates a child support arrearage and experiences a loss of income or termination from employment as described above, the bill requires the court to order the arrearage paid with a one-time lump-sum distribution from the retirement account upon the occurrence of a distributable event as defined by the terms of the qualified plan.

The bill does not require a plan to make distributions that are not otherwise authorized, and such distributions continue to be subject to early withdrawal penalties and taxable income. The bill requires such distribution to be executed through direct payment from the retirement account through the Kansas Payment Center.

The bill clarifies that retirement accounts are not exempt under a qualified domestic relations or child support order, and recipients of funds for such orders are exempt from all claims of any creditor, other than the Kansas Department for Children and Families (DCF).

Tax Exemption for Unborn Child

The bill amends law concerning income taxation to allow a personal exemption of $2,320 for any unborn child, as defined by the bill, starting in tax year 2025. The bill specifies that an unborn child is to be recognized as a dependent for this purpose. For live births, the personal exemption is an additional exemption for any qualifying dependent of the taxpayer who was born in the taxable year. For pregnancies resulting in stillbirth, the bill allows a personal exemption by the taxpayer who is a parent for the taxable year in which the certificate of stillbirth was issued.

Children in Need of Care—Police Protective Custody and Permanency Hearings; HB 2075

HB 2075 amends law concerning when law enforcement may take a child under 18 into custody for suspected abuse or neglect (police protective custody); adds a procedure for law enforcement to report suspected abuse or neglect to the Secretary for Children and Families (Secretary) for the purposes of initiating an investigation; and amends law concerning the frequency of, and requirements for, permanency hearings under the Revised Kansas Code for the Care of Children.

Police Protective Custody

The bill requires that before a child is taken into police protective custody due to a law enforcement officer's reasonable belief that the child will be harmed if not immediately removed, the officer must explore other options to separate the child from the source of serious harm before taking the child into custody.

The bill requires the Secretary to provide an electronic means of communication for a responding law enforcement officer to refer a child who may be a victim of abuse or neglect to the Secretary. Within 24 hours of receipt of a referral, the Secretary must initiate an investigation and contact the persons who are subject to the investigation. Within 24 hours of the contact, the Secretary must respond to the referring law enforcement agency with the status of the investigation.

Permanency Hearings

The bill requires a permanency hearing for a child in the custody of the Secretary to be held within nine months of a child's removal from the home and requires subsequent hearings be held every six months thereafter. [*Note:* Current law requires a permanency hearing be held within 12 months of removal and every 12 months thereafter.]

In addition to entering certain findings related to permanency under continuing law, the bill requires the court to review with all the present parties, including parents and interested parties, the current permanency goal, and on the record, make the following inquiries of each party at each permanency hearing:

- Whether the party participated in the most recent permanency plan; if the party did not participate, the court must inquire regarding the reason for non-participation;

- Whether the party received a copy of such plan; if the party did not receive a copy, the court must order the Secretary provide a copy within two business days of entering the order; and

- Whether the party has made reasonable efforts to achieve the permanency goal in place at the time of the hearing.

Policies Prohibited in the Kansas Revised Code for the Care of Children; HB 2311

HB 2311 creates law in the Kansas Revised Code for the Care of Children prohibiting the Secretary for Children and Families (Secretary) from adopting, implementing, or enforcing certain policies with respect to who can be considered for selection as out-of-home or adoptive placement or custody, or for appointment as permanent or SOUL custodian for a child in need of care.

The bill is in effect upon publication in the *Kansas Register.*

Policies that the Secretary is prohibited from adopting, implementing, or enforcing include any that:

- Require a person to affirm, accept, or support any governmental policy regarding sexual orientation or gender identity that may conflict with the person's sincerely held religious or moral beliefs; or

- Prohibit selection, appointment, or licensure, if otherwise eligible, of a person because of such person's sincerely held religious or moral beliefs regarding sexual orientation or gender identity or intent to guide or instruct a child consistent with such beliefs.

The bill specifies that nothing could be construed to prohibit the Secretary from considering the religious or moral beliefs of a child or the child's biological family or community, including beliefs regarding sexual orientation and gender identity, in relation to those persons who are being considered for out-of-home or adoptive placement, custody, or appointment when determining what placement is in the best interests of the child.

The bill allows a person aggrieved by a violation of the proscribed conduct in the bill to recover actual damages, injunctive relief, costs, and reasonable attorney fees from the Department for Children and Families (DCF), but prohibits actions from being brought against an entity that contracts with DCF.

COUNTRIES OF CONCERN

Countries of Concern — Kansas Land and Drones; House Sub. for SB 9

House Sub. for SB 9 creates the Kansas Land and Military Installation Protection Act (Act) and prohibits government agencies from purchasing or acquiring drones whose critical components were produced in a country of concern, or whose critical components were produced or owned by a foreign principal.

Kansas Land and Military Installation Protection Act

The bill requires foreign principals from countries of concern that own or acquire any interest in non-residential real property located within 100 miles of the boundary of any military installation located in Kansas or an adjacent state to register such interest with the Attorney General. The Act does not apply to a *de minimis* interest in such real property or residential property or certain Governor-approved transactions.

Real Property Acquisition

The bill generally prohibits a foreign principal from directly or indirectly acquiring any interest in any real property located within 100 miles of the boundary of any military installation in Kansas or in any adjacent state, on and after July 1, 2025.

The bill allows a foreign principal that owns real property as described above prior to July 1, 2025, and seeks to acquire additional real property for the purpose of expanding operations, to request transaction approval from the Governor. The bill requires the Governor to consult with the Attorney General and the Fusion Center Oversight Board to determine whether the transaction poses any security risk to military installations or critical infrastructure. The Governor is required to approve or deny such expansion within 90 days of receiving the request.

Real Property Reporting Requirement

The bill generally requires any foreign principal to report any ownership or acquisition of any interest in real property located within 100 miles of any military installation's boundary in Kansas or any adjacent state. The bill requires divestiture of the interest in such real property for failing to register.

Any foreign principal that owns or acquires any interest in such real property is required to file registration of ownership with the Attorney General no later than 90 days after the effective date of the Act, or the date the interest is acquired, whichever is later. The bill requires the filing of registration of such property to include the:

- Name of the individual or entity holding such interest;
- Date of acquisition;
- Address and legal description of the real property; and
- Number of acres composing the real property.

The bill requires the Secretary of State (Secretary) to provide notice of the registration requirement to all business entities and nonprofit organizations at the time of such entity's registration with the Secretary or any other filing with the Secretary.

The Attorney General is required to provide the Secretary with instructions for fulfilling the registration filing requirement. The Secretary is required to provide those instructions with the notice.

Property obtained by a foreign principal through devise or bequest, security interest enforcement, or the collection of debt also is subject to the reporting provision of this Act, but the foreign principal is not required to divest unless they fail to register.

Divestiture of Property

The bill requires the Attorney General to send a warning to any foreign principal that owns any property requiring registration on July 1, 2025, and fails to register such property, advising the foreign principal of the registration requirement and instructing the foreign principal as to the manner of fulfilling such requirement.

The foreign principal is allowed 30 days from the receipt date of such warning and instructions to file the required registration without having to divest the property. If the foreign principal fails to file the registration within the 30-day period, such foreign principal is required to divest such interest in real property.

This warning requirement and 30-day period to file expires on June 30, 2028.

After July 1, 2025, any foreign principal that fails to report affected real property is required to divest of the property.

The bill permits a foreign principal that is subject to the Act to enter into an agreement with the Attorney General to divest such foreign principal's interest in real property no later than 360 days from entering into that agreement.

The bill requires a copy of all documentation showing the required divestiture to be submitted to the Attorney General no later than 30 days after the divestiture's effective date.

Reporting Violations and Enforcement

The bill requires the Attorney General to investigate any suspected violation of the Act. The Attorney General is authorized to commence an action in a court of competent jurisdiction to enforce the Act. In any such action, the bill authorizes the Attorney General to seek:

- A court order directing the defendant's divestiture of the real property;
- Injunctive relief;
- Civil forfeiture of the defendant's interest in the real property; and
- Reasonable attorney fees and court costs.

Upon a determination by a court of competent jurisdiction that the defendant violated the requirements of the Act, the bill requires the defendant to divest their interest in the real property within 180 days from the date such court order is issued.

The bill updates civil asset forfeiture law to allow such property to be eligible for forfeiture.

Reporting on Foreign Investment

The bill allows any person to report information concerning non-notified transactions to the Attorney General in such form and manner as prescribed by the Attorney General. The bill defines "non-notified transaction" as any transaction involving foreign investment that is not voluntarily submitted to the U.S. Committee on Foreign Investment in the United States (CFIUS) for review.

The bill requires the Attorney General to prepare and submit a report on such transactions to CFIUS. The Attorney General is required to retain copies of any documents that are submitted to CFIUS along with the required report. The bill requires the report to be submitted to the:

- Governor;
- Adjutant General;
- Senate Committee on Federal and State Affairs;
- House Committee on Federal and State Affairs; and
- Any successor committee of those standing committees.

On or before February 1 of each year, the Attorney General is required to submit a report detailing the implementation of the Act and including the Attorney General's recommended amendments to the definition of "country of concern" to the:

- Governor;
- Adjutant General;
- House Committee on Commerce, Labor and Economic Development;
- Senate Committee on Commerce;
- Senate Committee on Federal and State Affairs;
- House Committee on Federal and State Affairs; and
- Any successor committee of those standing committees.

On or before January 1, 2026, the Attorney General is required to adopt rules and regulations to implement the reporting requirements listed above.

Report on Foreign Land Holdings of Real Property

On or before March 1 of each year, the bill requires Kansas State University to use available data and resources to prepare and submit a report to the Legislature and the Attorney General detailing the status and trends of all foreign land holdings of real property within Kansas.

Other Provisions

The bill authorizes the Fusion Center Oversight Board to adopt rules and regulations to reflect new designations or removals of foreign terrorist organizations on the federal terrorist organization list. The bill prohibits the Board from adopting any rules or regulations that would designate an organization as a foreign terrorist organization if that organization is not on the federal terrorist organization list.

[*Note:* The Fusion Center Oversight Board was established with enactment of 2017 SB 184, codified at KSA 2024 Supp. 48-3705. The Board consists of the Attorney General, Adjutant General, and an appointee of the Attorney General with expertise in critical infrastructure protection.]

The bill prevents any foreign principal from receiving any direct benefit related to any economic development program.

Severability

The bill declares any provision of the Act severable from the other provisions in the event one or more provisions are held to be unconstitutional or invalid.

Drone Procurement and Usage

The bill prohibits government agencies from purchasing and acquiring drones, or any related services, maintenance agreements, or equipment, whose critical components were produced in a country of concern, or whose critical components were produced or owned by any foreign principal. The prohibition does not apply to any drone, related services, or equipment acquired, or any contract or agreement entered into, prior to July 1, 2025.

Component Replacement

When a government agency determines a critical component must be replaced, the bill allows the agency to use any replacement component acquired prior to July 1, 2027, but prohibits acquiring any new replacement component from any foreign principal unless:

- There is no other reasonable means to acquire such critical components or of addressing the needs of the agency necessitating the purchase;
- An agreement for such acquisition is approved by the Secretary of Administration after consulting with the Adjutant General; and
- Failing to acquire such components or otherwise address the agency's need would pose a greater threat to state safety and security than the risk posed by acquiring the component.

Definitions

"Country of concern" means the following countries:

- People's Republic of China, including the Hong Kong Special Administrative Region;
- Republic of Cuba;
- Islamic Republic of Iran;
- Democratic People's Republic of Korea (North Korea);
- Russian Federation; and
- Bolivarian Republic of Venezuela.

The bill excludes the Republic of China (Taiwan) from the countries of concern definition.

For purposes of the Act, the definition includes any organization designated as a foreign terrorist organization as of July 1, 2025, under federal law except as changed by the Fusion Center Oversight Board.

[*Note:* Excluding terrorist organizations, the list of countries of concern will not be subject to modification by the Fusion Center Oversight Board.]

"Foreign principal" for purposes of the Act means:

- The government or any official of the government of a country of concern;

- Any political party or any subdivision thereof, or any member of a political party, of a country of concern;

- Any corporation, partnership, association, organization, or other combination of persons organized under the laws of or having its principal place of business in a country of concern. The definition would also include any subsidiary owned or wholly controlled by any such entity;

- Any agent of or any entity otherwise under the control of a country of concern;

- Any individual who is a citizen or resident in a country of concern and who is not a citizen or lawful permanent resident of the United States; or

- Any individual, entity, or combination described above that has a controlling interest in any company formed for the purpose of holding any interest in real property (for purposes of the Act) or selling critical components for drones and related services and equipment (for purposes of drone procurement).

"Drone" means an unmanned aircraft that is controlled remotely by a human operator or that operates autonomously through computer software or other programming.

"Critical component" means a component or subcomponent that is a distinct and serviceable article and the primary component of an identifiable process or subprocess necessary to the recording, storing, or transmitting of data or any other form of information. "Critical component" also includes any software installed in a drone or in any network device used to operate the drone.

"Military installation" means any land, buildings, or other structures owned or controlled by any division of the U.S. Department of Defense, Kansas National Guard, or any other federal or state agency that is critical to the safety and security of Kansas or the United States.

"Real property" means any real estate located within Kansas except real property used exclusively as a place of residence for human habitation.

An "interest in real property" means:

- Ownership interest in any parcel of real property acquired by purchase, gift, grant, devise, bequest, or other transfer of such interest;
- Ownership or other interest in any easement or other right of egress onto or across any parcel of real property;
- Ownership or other interest in any right to any oil, gas, minerals, or water located on or under any parcel of real property; and
- Any interest or right to possess or use any parcel of real property acquired by the execution of a lease, lease-purchase, or any other form of rental agreement.

"*De minimis* interest" means any interest in real property that is:

- The result of ownership of registered securities in a publicly traded company; and
- Such ownership is:
  - Less than 10 percent of any class of registered securities or less than 10 percent of the aggregate registered securities of multiple classes of securities; or
  - A non-controlling interest in an entity that is controlled by a company that is registered with the U.S. Securities and Exchange Commission as an investment adviser under the federal Investment Advisers Act of 1940 and such company is not domiciled outside the United States.

"Economic development incentive program" means:

- Any economic development incentive program administered wholly or in part by the Secretary of Commerce;
- Any tax credit, except for social and domestic tax credits, regardless of the administering state agency;
- Property that has been exempted from ad valorem taxation under the State's constitution;
- Any economic development fund, including but not limited to, the Job Creation Program Fund and the Economic Development Initiatives Fund; and

- Any other economic development incentive program that provides any form of tax credit, abatement, or exemption or financial assistance provided by or authorized by a governmental entity.

"Tax credit" means any credit allowed against the tax imposed by the Kansas Income Tax Act, the premium or privilege fees imposed, or the privilege tax as measured by net income of financial institutions.

"Social and domestic tax credits" means the adoption credit, earned income tax credit, food sales tax credit, child and dependent care tax credit, and the homestead property tax refund credit.

Prohibition on AI Platforms and Genetic Sequencers of Concern; Senate Sub. for HB 2313

Senate Sub. for HB 2313 prohibits state agencies from allowing employees to access artificial intelligence (AI) platforms of concern on state-owned or state-issued electronic devices and prohibits all medical and research facilities in the state from using genetic sequencers or operational or research software used for genetic analysis produced in or by a foreign adversary or affiliated entity.

Prohibition on Artificial Intelligence Platforms of Concern

The bill prohibits state agencies from allowing employees to access AI platforms of concern on state-owned or state-issued electronic devices. Additionally, state agencies are required to block user access to such platforms on state networks.

State agencies that currently utilize or operate an account with platforms of concern are required to stop using such platform and deactivate and delete such accounts.

The bill provides an exception for state agencies accessing such platforms for law enforcement activities or cybersecurity investigations.

Prohibition on Genetic Sequencers Produced by a Foreign Adversary

The bill prohibits medical and research facilities in the state from utilizing genetic sequencers or operational or research software used for genetic analysis produced in or by:

- A foreign adversary;
- A state-owned enterprise of a foreign adversary;
- A company domiciled within a foreign adversary; or
- A company-owned or company-controlled subsidiary of a company domiciled within a foreign adversary.

The bill requires all genetic sequencers, operational and research software used for genetic sequencing, or genetic analysis devices that are not permanently disabled to be removed and replaced with equipment that is not prohibited under the bill.

The bill authorizes, subject to appropriations, a medical facility or research facility in Kansas to request reimbursement from the State Treasurer up to the cost of replacement for the prohibited equipment and software. The request must include purchase orders and be submitted prior to October 1, 2025.

Severability

The bill declares the provisions regarding genetic sequencers and operational or research software severable. If any of these provisions are declared unconstitutional or invalid, or the application of any portion of these provisions to any person or circumstance are held unconstitutional or invalid, the invalidity will not affect other portions of these provisions that can be given effect without the invalid portion or application. The applicability of other portions of the provisions regarding genetic sequencers and operational or research software will remain valid and enforceable.

Definitions

The bill defines the following terms:

- "Artificial intelligence platform of concern" means the AI model DeepSeek and any AI models owned or controlled by Hangzhou DeepSeek Artificial Intelligence Basic Technology Research Company or its subsidiaries or successors;

- "DNA" means deoxyribonucleic acid, ribonucleic acid, and chromosomes that may be analyzed to detect heritable diseases or conditions, including the identification of carriers, predicting risk of disease, or establishing a clinical diagnosis;

- "Country of concern" means the People's Republic of China (including Hong Kong), Republic of Cuba, Islamic Republic of Iran, Democratic People's Republic of Korea, Russian Federation, and Bolivarian Republic of Venezuela;

    - This definition does not include the Republic of China (Taiwan);

- "Foreign adversary" means the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolas Maduro, or the Syrian Arab Republic, including any agent of or any other entity under significant control of such foreign adversary, or any other entity deemed to be a foreign adversary by the Governor in consultation with the Adjutant General;

- "Genetic sequencer" means any device or platform used to conduct genetic analysis, resequencing, isolation, or other genetic research;

- "Human genome" means DNA or ribonucleic acid that is found in human cells;

- "Medical facility" means a facility for the delivery of health services that receives state moneys, including interagency pass-through appropriations from the federal

government, and conducts research or testing on, with, or relating to genetic analysis or the human genome;

- "Operational or research software" means computer programs used for the operation, control, analysis, or other necessary functions of genetic analysis or genetic sequencers;

- "Research facility" means a facility that receives state moneys, including interagency pass-through appropriations from the federal government, and conducts research on, with, or relating to genetic analysis or the human genome; and

- "State agency" means any state office or officers, department, board, commission, institution, bureau, agency, division, or unit.

EDUCATION

Graduation Rate Calculation for Accreditation; Sub. for SB 45

Sub. for SB 45 establishes a statutory calculation, for purposes of accreditation, of the four-year adjusted cohort graduation rate for each school district and any school within the district, including virtual schools.

Graduation Rate Calculation

The bill requires, for purposes of accreditation, a school district to calculate the four-year adjusted cohort graduation rate for the school district and the district's schools, including virtual schools, and exclude students who:

- Had not earned sufficient credits to be expected to graduate in the same school year as the student's cohort at the time the student transferred to and enrolled in the school or school district; and

- Were enrolled in the school or school district but subsequently transferred to a non-accredited private school in Kansas or another state.

Repealed Graduation Rate Calculation

The bill also repeals the current statutory four-year adjusted cohort calculation for only virtual schools that is found in KSA 72-3713.

[*Note:* The current calculation is similar to the one described above but does not allow for the exclusion of students in a virtual school who transferred to a non-accredited private school.]

Postsecondary Financial Aid—Uniform Interest Rates and Low-income Family Postsecondary Savings Account Incentive; SB 50

SB 50 establishes uniform interest rates, repayment schedules, and fees for all scholarships, grants, or other student financial aid programs established in law (KSA Chapter 74, Article 32) under the authority of the State Board of Regents (Board). The bill also changes the Low-Income Family Postsecondary Savings Accounts Incentive (KIDS) Program by reducing the number of grants available, reducing expenditure auditing requirements, and sunsetting the program on January 1, 2028.

Uniform Interest Rates for State Board of Regents Financial Aid Programs

Uniform Interest and Accrual

The bill establishes a uniform rate of 5.0 percent per year for all repayments arising from the following conditions:

- Any scholarship, grant, or other student financial aid program established in law and under the authority of the Board or under any agreement entered into pursuant to any such scholarship, grant, or other student financial aid program; and

- The scholarship, grant, or student financial aid program requires the payment of interest either in the term of the program or under the agreement entered into by the recipient.

The bill also prohibits interest from accruing prior to the date at which the award recipient becomes obliged to repay the scholarship, grant, or student financial aid as determined by the Board.

The bill retroactively applies these provisions to all scholarship, grant, and other student financial aid awards made prior to July 1, 2025, but does not impose an interest rate:

- In excess of the interest rate specified in either the applicable statute at the time an individual received the aid relating to the repayment obligation or the agreement between the individual and an educational institution, a sponsor, or the Board; or

- Upon amounts owed to the Board by educational institutions or sponsors, or amounts owed to educational institutions or sponsors by the Board.

The bill specifies that the changes in interest rate and accrual date do not grant any right, claim, or entitlement of an individual to a refund of payments made before July 1, 2025.

[*Note:* The programs affected by these changes include the Reserve Officers' Training Corps (ROTC) Service Scholarship, Osteopathic Medical Service Scholarship, Optometry Service Scholarship, Nursing Service Scholarship, Teacher Service Scholarship, Teacher Service Scholarship, Ethnic Minority Fellowship, Advanced Practice Registered Nurse Service Scholarship, Workforce Development Loan, Nurse Educator Service Scholarship, Promise Scholarship, and Adult Learner Grant.]

State Board of Regents Recovery and Application Fees

The bill authorizes the Board to recover reasonable costs for scholarship, grant, and other student financial aid collections; those costs include, but are not limited to, court costs, attorney fees, and collection agency fees.

The bill also authorizes the Board to charge fees for processing applications and generally administering student financial assistance programs. The fees are set by the Chief Executive Officer of the Board and are required to recover all or part of the direct and indirect costs of administering the programs. Any fees charged are deposited in the State Treasury and credited to the Financial Aid Services Fee Fund of the Board.

Student Agreements—Adult Learner Grants

The bill changes the student agreements entered into under the Adult Learner Grants to be between the student and the Board. [*Note:* Under previous law, students enter into agreements between the student and their postsecondary educational institution.]

Conforming Amendments

The bill makes conforming amendments to align the interest rate and accrual date of each affected scholarship, grant, or other student financial aid program with the provisions of the bill.

Low-Income Family Postsecondary Savings Accounts Incentive

Program Applications

The bill changes the maximum number of approved applications for the Low-Income Family Postsecondary Savings Accounts Incentive (KIDS) Program for calendar years (CYs) 2025, 2026, and 2027 from 300 to 250 per congressional district (district) and from 1,200 to 1,000 applications per year for the statewide maximum. [*Note:* Continuing law authorizes the State Treasurer (Treasurer), if the maximum number of applications from a district are not approved, to approve applications from other districts to the 1,000 application maximum.]

The bill prohibits the Treasurer from accepting or approving new applications for the KIDS Program after CY 2027.

Auditing Requirements

The bill removes requirements that the Treasurer prospectively approve any withdrawals under the KIDS Program and requires withdrawals of matching funds under the Program be subject to audit as provided for in the bill.

The bill requires the Treasurer to audit at least 10 withdrawals of matching funds each year for CYs 2025, 2026, and 2027 and determine whether such withdrawals were qualified or non-qualified.

The bill requires the Treasurer to notify any participant who is selected for an audit and request the participant provide, in the manner and form required and on or before a deadline specified by the Treasurer, any documentation and information deemed necessary by the Treasurer to facilitate said audit.

The bill deems any failure to comply with the audit as being a non-qualified withdrawal and the Treasurer will provide notice thereof to the Kansas Department of Revenue and other appropriate taxing authorities. The Treasurer's determination of an unqualified withdrawal will be considered conclusive, with the exception of obvious error.

A participant found to have made a non-qualified withdrawal is required to pay back the portion of withdrawn funds on a time frame established by the Treasurer. Should a participant

not pay back the funds within the allotted time, the bill establishes an interest rate of 5.0 percent per year, compounded monthly, and authorizes the Treasurer to exercise enforcement available to the Treasurer to recover said funds. This requirement is in addition to, and not in substitution for, any other fine, penalty, interest, or other consequence otherwise imposed by law in connection to withdrawals from the KIDS Program.

The bill requires all refunds and interest to be credited to the State General Fund.

Reporting

The bill changes the annual reporting requirement for the Program to report the number and results of any audits performed each year to the Governor and Legislature on or before January 31 for 2026, 2027, and 2028.

Effective Date

The bill takes effect upon publication in the *Kansas Register*.

KSHSAA Activities; SB 114

SB 114 authorizes non-public school students and virtual school students participating in a school activity governed by the Kansas State High School Activities Association (KSHSAA) to also participate in certain ancillary school district activities. The bill also permits students at the Kansas Academy of Mathematics and Science (KAMS) to participate in KSHSAA activities at the local public school.

The bill takes effect upon publication in the *Kansas Register*.

Participation in KSHSAA Activities

Current law allows for non-public school and virtual students who meet the requirements of law to participate in activities that are regulated, supervised, promoted, and developed by the KSHSAA. The bill amends this law to require participating students to also be permitted to participate in any district-sponsored events, ceremonies, programs, or other functions directly related to the activity. The bill allows each school district board of education to adopt policies regarding the participation of those students in district-sponsored events, ceremonies, programs, or other functions that are not directly related to the activity.

The bill deems any student who withdraws from a school district and subsequently enrolls in an accredited private school, a non-public elementary or secondary school, or a virtual school to be ineligible for full participation in any activities offered by the school district for a period subject to KSHSAA rules immediately following the student's withdrawal, unless the student was eligible and participating in the activities at the school from which the student withdrew on the date of withdrawal. Such student can be permitted limited participation in any qualifying activities, in accordance with the eligibility policies of the school district and KSHSAA.

The bill also provides that a student participating in a KSHSAA activity in this manner is entitled to all rights and subject to all responsibilities of any other participating student except as otherwise provided for in law, regardless of the student's enrollment status.

The bill deems it unlawful for any school district or the KSHSAA to discriminate against any student who meets the requirements of the law based upon the student's enrollment status.

Eligibility Requirements

The bill amends the eligibility requirements so that a student who meets the following requirements could participate in KSHSAA-regulated activities in the school district in which the Kansas Academy of Mathematics and Science (KAMS) is located:

- Be enrolled in KAMS;
- Comply with requirements established in law;
- Meet applicable age and eligibility requirements set forth by the KSHSAA; and
- Pay any fees required by the school district on all students participating in the activity.

Curriculum and Compensation; Senate Sub. for HB 2382

Senate Sub. for HB 2382 requires any school district that offers courses or other instruction regarding human growth, human development, or human sexuality to include, as part of the course or instruction, a human fetal development presentation. The bill also allows the State Board of Education (State Board) to establish the rates of compensation that board members receive for regularly scheduled meetings of the State Board and any other in-state meeting for participation in matters of educational interest to the State of Kansas.

Presentation Requirements

The bill requires the human fetal development presentation to meet the following requirements:

- Be a high-quality, computer-generated animation or high-definition ultrasound;
- Be at least three minutes in length; and
- Show the development of the brain, heart, and other vital organs in early human fetal development.

The bill further requires that such human fetal development presentations be included in any course or instruction regarding human growth, human development, or human sexuality.

State Board of Education Member Compensation

The bill allows for the State Board to determine the compensation amounts received by board members for their service at regularly scheduled meetings of the State Board and any other in-state meeting for participation in matters of education interest to the State of Kansas.

ELECTIONS AND ETHICS

Election Procedures and Voting; HB 2016

HB 2016 amends various provisions of election law concerning the maintenance of voter registration rolls, qualifications for poll workers and election board judges or clerks, and the solicitation of advance voting ballot applications.

Voter Registration Rolls

The bill requires a county election officer to remove the name of a registered voter from the registration books and party affiliation lists when an obituary for the voter is published online by a funeral home located in the county.

[*Note:* Continuing law requires a county election officer to remove a registered voter from the registration books and party affiliation lists when an obituary notice reporting the death of such voter appears in a newspaper having general circulation in the county.]

Poll Workers and Election Board Judges or Clerks

The bill prohibits county election officers from disqualifying active military members and the members' spouses and other dependents from service as poll workers on the basis of residency or registered voter status. The bill also adds U.S. citizenship and Kansas residency as requirements for service as an election board judge or clerk.

[*Note:* Continuing law requires all election judges and election clerks to be residents of the area served by the voting place in which they are a judge or clerk.]

The bill defines "active military member" for poll worker purposes as any person with full-time duty status in the U.S. Armed Forces, including members of the National Guard and reserve.

Soliciting Advance Voting Ballot Applications

Current law provides the requirements for 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. The bill makes the following amendments to these requirements:

- Removes the requirement that the name of the president, chief executive officer, or executive director be included in the mailing, if an organization caused the solicitation to be mailed;

- Requires the name and address of the individual or organization that caused the solicitation to be mailed and the required disclosure statement—"Disclosure: This is not a government mailing. It is from a private individual or organization"—to be included on one page within the mailing instead of both on the exterior of the mailing and on each page contained within the mailing;

- Changes the required font size for such information from 14-point or larger to 10-point or larger;

- Clarifies the requirement that the advance voting ballot application must be the official application provided by the Secretary of State or the appropriate county election office [*Note:* Current law states the advance voting ballot application must be provided by the Secretary of State.];

- Modifies the requirement prohibiting any portion of an advance voting ballot application from being completed prior to mailing to allow the date of the election to be printed on the application prior to being mailed to registered voters; and

- Replaces the requirement that the advance voting ballot application include an envelope addressed to the appropriate county election office with a requirement that the advance voting ballot application include information on how to mail such application to the appropriate county election office.

Special Election Date Requirements; HB 2022

HB 2022 amends the definition of "special election" in election law to mean any election held on the Tuesday following the first Monday in March of any year or on the same day as a general or primary election. The bill also makes conforming amendments to other provisions of election law concerning special elections.

Campaign Contribution Limits; Senate Sub. for HB 2054

Senate Sub. for HB 2054 amends provisions in the Campaign Finance Act (Act) to increase limits on certain campaign contributions and eliminate limits on contributions made by party committees to candidates for certain elections.

Contributions to Campaigns

The bill increases aggregate limits for each of the following campaigns for each primary and general election:

- For the pair of offices of Governor and Lieutenant Governor or other statewide offices, from $2,000 to $4,000;

- For the office of the House of Representatives, district judge, district attorney, or a candidate for local office whose jurisdiction has a population less than 50,000, from $500 to $1,000; and

- For the office of state senator or member of the State Board of Education, or a candidate for local office whose jurisdiction has a population of 50,000 or more, from $1,000 to $2,000.

The bill also increases the amount any person may contribute to any candidate or candidate committee in cash for any primary or general election from $100 to $200.

Applicability

Under continuing law, these limits apply to:

- Persons except party committees, the candidate, or the candidate's spouse; and
- Political committees.

The bill eliminates contribution limits made by party committees to candidates for each general election. [*Note:* Party committees will be subject to the contribution limits listed above for a primary election at which two or more candidates are seeking the party nomination.]

The bill clarifies that no expenditures made by a party committee in support of a candidate, with or without a candidate's cooperation or consent, constitutes a contribution.

Contributions to Party Committees

The bill increases aggregate limits on contributions by persons other than a party committee and by a national party committee to:

- $35,000 per calendar year to a state party committee, recognized political committee for the Senate, or recognized political committee for the House of Representatives; and

- $10,000 per calendar year to a congressional district party committee or county party committee.

[*Note:* Current law provides the following limits on contributions to party committees:

- Contributions by a person other than a national party committee or a political committee to a state party committee must not exceed $15,000 per calendar year;

- Contributions by a person other than a national party committee or a political committee to any other party committee must not exceed $5,000 per calendar year;

- Contributions by a national party committee to a state party committee must not exceed $25,000 per calendar year;

- Contributions by a national party committee to any other party committee must not exceed $10,000 per calendar year; and

- Contributions by a political committee to a party committee must not exceed $5,000 per calendar year.]

Receipt of Contributions

The bill allows a candidate or their committee to accept a contribution for both the primary and general election prior to the date of the primary election if the candidate or their committee uses an acceptable accounting method to distinguish between which contributions are received for the primary election and which are for the general election.

The bill provides examples of acceptable accounting methods, including, but not limited to, the designation of separate accounts for each election or the establishment of separate books and records for each election. The bill requires the authorized records of a candidate or their committee show the cash on hand prior to the primary election was, at all times, equal to or greater than the amount of contributions received and designated for the general election minus any disbursements made for the general election.

Definition of "Jurisdiction"

The bill defines the term "jurisdiction" to mean:

- The city, county, or school district if the candidate is seeking election to a local office that is elected at-large in such city, county, or school district; and

- The electoral district if the candidate is seeking election as a member of a governing body that has member districts.

Effective Date

The bill takes effect upon publication in the *Kansas Register*.

Elections—False Representation of an Election Official; Political Party Nominations; Voting Equipment; Senate Sub. for HB 2056

Senate Sub. for HB 2056 amends various provisions of election law concerning the crime of false representation of an election official, nominations by political parties, and the testing of certain voting equipment before an election.

False Representation of an Election Official

The bill amends the conduct included under the election crime of false representation of an election official to add the intent to cause a person to believe that the person is an election official.

The bill removes the criterion of "engaging in conduct that gives the appearance of being an election official." The bill also clarifies that engaging in conduct including, but not limited to, using an official seal or other insignia of the Secretary of State or any county election office in any communication with voters, with the intent to cause a person to believe that the person engaging in the conduct is an election official, will be a qualifying criminal act.

Political Party Nominations

The bill amends election law regarding nominations for elected office to require that any person nominated for an elected office accept such nomination and restrict the number of nominations a person may accept to one nomination.

Nominations by Political Parties Not Participating in Primaries

Continuing law authorizes any recognized political party that does not participate in a primary election to, by means of a delegate or mass convention or caucus, nominate one person for each office that is to be filled at the next election and file a certificate of such nomination. [*Note:* Recognized political parties in Kansas that currently do not participate in primary elections include the Libertarian Party, No Labels Kansas, and United Kansas.]

The bill requires any person listed on a certification of nomination to submit a signed and notarized declaration stating they accept the party's nomination for the designated office. The bill prohibits any person from being a party's nominee until the declaration is submitted accordingly.

Restriction on Number of Nominations

The bill clarifies that no person may accept more than one nomination for the same office. The bill further prohibits any person from becoming a candidate for a different political party or as an independent candidate for office at a general election if such person has:

- Received and accepted a party nomination from a political party not participating in a primary election;
- Filed a declaration of intention to become a candidate for an office; or
- Filed a valid nomination petition to be an independent candidate.

Changing Political Party Nomination

The bill, prior to the filing deadline established in statute, permits a person who has either received and accepted a party nomination, filed a declaration of intention to become a candidate, or filed a valid nomination petition to be an independent candidate to become a candidate for a different political party or an independent candidate if such person has:

- Declined a party nomination;
- Withdrawn from candidacy after nomination; or
- Withdrawn from a nomination.

Enforcement

The bill directs the Secretary of State to enforce the provisions of the bill for all federal and state elected offices and directs the appropriate county election officer to enforce the provisions of the bill for all county and township elected offices.

Testing Voting Equipment

Current law requires automatic vote tabulating equipment and optical scanning equipment to be tested within five days before the date of an election to ascertain that the equipment will correctly count the votes cast for all offices and on all questions submitted. The bill changes the number of days before the date of an election for such required testing from 5 days to 30 days.

Reimbursement for Legislative Travel and Executive Branch Receipt of Discount Tickets; Senate Sub. for Sub. for HB 2060

Senate Sub. for Sub. for HB 2060 amends provisions of the State Governmental Ethics Law regarding legislators' receipt of reimbursement for expenses related to travel and Executive Branch employees' receipt of tickets or access to entertainment or sporting events or activities.

Legislator Travel Reimbursement

The bill authorizes legislators to accept reimbursement for expenses related to travel, subsistence, attendance, and participation in meetings, programs, and activities of any non-profit, non-partisan organization that does not engage in lobbying in Kansas and removes the requirement that the organization be a national organization established for the purpose of serving, informing, educating, and strengthening state legislatures in all states of the nation, so long as the funds are paid from the funds of such organization.

[*Note:* Continuing law authorizing legislators to accept reimbursement from governments of any foreign nation, any organization organized under the laws of such foreign nation, or any international organization for such travel expenses would not be amended by the bill.]

Executive Branch Employees

The bill authorizes all officers and employees of the Executive Branch, including the Governor and the Lieutenant Governor, the Governor's spouse, and all members of boards, commissions, and authorities of the Executive Branch, to solicit or accept free or special discounted tickets (tickets) or access to entertainment or sporting events or activities (activities) if:

- It is obvious to the person accepting tickets or access to activities that it is not being provided due to the person's official position; or

- The person's presence at an activity serves a legitimate state purpose or interest and the person's agency authorizes, or would authorize, payment for travel and expenses.

Renaming the Public Disclosure Commission and Amending the Campaign Finance Act; HB 2206

HB 2206 amends various provisions of the Campaign Finance Act (Act) and changes the name of the Kansas Governmental Ethics Commission to the Kansas Public Disclosure Commission.

Termination of Candidate Campaign Accounts

For any person elected to state or local office who decides not to be a candidate or is defeated as a candidate for such office at the next election, the bill requires the termination of the person's candidate campaign account related to that office on or before the date 90 days after the second general election for the office in which the candidate was not elected.

The treasurer for any such candidate campaign account is required to dispose of any residual funds and file the required termination report pursuant to state law.

Kansas Public Disclosure Commission

The bill changes the name of the Kansas Governmental Ethics Commission to the Kansas Public Disclosure Commission (Commission) after its enactment on or after July 1, 2025. The bill states when the Kansas Governmental Ethics Commission is referenced or designated by statute, contract, or other document, the reference or designation shall be deemed to apply to the Commission. The bill renames the Kansas Governmental Ethics Commission Fee Fund to the Kansas Public Disclosure Commission Fee Fund and removes provisions renaming the fee fund in 1998.

The bill specifies the Act does not abolish and reestablish the Commission or affect the terms of the members currently serving on the Commission. The bill also clarifies all the Commission's rules and regulations adopted and created prior to July 1, 2025, continue to be in force and effect.

Cooperation or Consent

The bill adds a new definition for the phrase "cooperation or consent." With respect to expenditures, "cooperation or consent" means:

- An express advocacy expenditure that is created, produced, or distributed at the request or recommendation of a candidate, candidate committee, or party committee; or

- An express advocacy expenditure that is created, produced, or distributed at the recommendation of a person who is paying for the express advocacy and the candidate, candidate committee, or party committee assents to the recommendation.

Additionally, the bill specifies that "cooperation or consent" does not include:

- A candidate's or political party's response to an inquiry about the candidate's or political party's positions on legislative policy or issues;
- An expenditure that used information obtained from a publicly available source;
- An endorsement of a candidate;
- Soliciting contributions for any committee;
- An expenditure for the use of a commercial vendor or to a former employee of the candidate by the person making the expenditure if:
  - The commercial vendor or former employee has provided political services to the candidate during the 120 days immediately preceding such expenditure;
  - A firewall is established and implemented by the person making the expenditure; and
  - The firewall is designed and implemented to prohibit the flow of information between those providing services to the person making the expenditure and those currently providing or that have previously provided services to the candidate; and
- An expenditure for the use of a commercial vendor or to a former employee of the candidate by the person making the expenditure and the commercial vendor or former employee has not provided political services to such candidate during the 120 days immediately preceding such expenditure.

Giving in the Name of Another

Continuing law prohibits making contributions in the name of another person and knowingly accepting contributions made by one person in the name of another person. The bill raises the limit at which an individual can accept a contribution without knowing the name and address of the contributor from $10 to $50.

The bill adds a provision to the prohibition stating, except for contributions made by candidates to their own candidate committee, when a person makes a contribution, that person has no authority to control or direct the use of the contribution. The bill further prohibits any person from making a contribution to a committee with any condition that the contribution or any portion of the contribution is to be subsequently contributed to any other committee; the bill declares any agreement null and void.

For the purposes of this section, the bill defines "contribution in the name of another" and "contribution made by one person in the name of another" as a contribution made to a person by or through the name of another person for the purpose of concealing the original source of any moneys reported on any report or statement that is required to be filed under the Act. The bill does not include any contributions, expenditures, or transfers of moneys that are subject to requirements of the Act and that will be reported by an individual or committee on a report or statement filed pursuant to the Act.

Political Committees

Definitions

Political committee. The bill amends the definition of "political committee" to mean any entity, including any combination of two or more individuals who are not married to one another, or any person other than an individual, the major purpose of which is to make contributions or expenditures that in aggregate exceed $3,000 during any one calendar year and that satisfies one of the following:

- States in such entity's articles of incorporation, bylaws, or in any resolution adopted by the board of directors for such entity that the major purpose of the entity is to elect state or local candidates through express advocacy and contributions to candidate campaigns and political parties; or

- Spends no less than 50 percent of such entity's total program spending on contributions or expenditures during the period of time the entity has existed or, if the entity has existed for more than five years, during the immediately preceding five years.

[*Note:* Current law defines "political committee" to mean any combination of two or more individuals or any person other than an individual, a major purpose of which is to expressly advocate the nomination, election, or defeat of a clearly identified candidate for state or local office or make contributions to or expenditures for the nomination, election, or defeat of a clearly identified candidate for state or local office.]

Total program spending. The bill defines "total program spending," as it relates to political committees, to mean the aggregate expenditures on all program activities, including:

- All disbursements for contributions and expenditures; and
- All expenditures for fundraising communications that expressly advocate the nomination, election, or defeat of a candidate or candidates for state or local office.

The bill excludes the following from total program spending:

- Expenditures for volunteer time or expenses;
- Administrative expenses; or
- Any other fundraising expenses.

For the purposes of determining total program spending on contributions and expenditures, the bill provides that:

- A grant made to a political committee or an organization that is organized under Section 527 of the Internal Revenue Code is to be included in the entity's total program spending as a contribution or expenditure, unless such grant is expressly designated for use outside of Kansas or for any federal election, then the grant is not to be considered a contribution or expenditure; and

- All other grants made by the entity are to be included in the entity's total program spending but are not to be considered a contribution or expenditure unless the entity expressly designates such grant, or any portion thereof, for making a contribution or expenditure in Kansas. If so designated, then the grant or portion of the grant is considered a contribution or expenditure.

Legislative Prohibition

The bill prohibits a member of, or candidate for, the Legislature from establishing any political committee.

[*Note:* Prior law prohibited a member of or a candidate for the Legislature from establishing a political committee with a major purpose to expressly advocate the nomination, election, or defeat of a clearly identified candidate for the Legislature or to make contributions or expenditures for the nomination, election, or defeat of a clearly identified candidate for the Legislature.]

Termination Reports

The bill requires political committees to file termination reports with both the Secretary of State and the county election office.

Independent Expenditure Statements

The bill amends statement filing requirements for persons other than candidates or any committees making independent expenditures and removes statement filing requirements for such persons making contributions. The bill raises the filing threshold from an aggregate amount of $100 or more to $1,000 or more within a calendar year and removes the requirement that statements contain the same information as candidate reports.

The bill requires the statements of independent expenditures to include:

- The name and address of each person who receives payment in an aggregate amount that is greater than $500 for an independent expenditure or for the creation or distribution of an independent expenditure; and

- The date, amount, and purpose of each independent expenditure, including the name and the office sought of each candidate identified in an independent expenditure and if such independent expenditure was in support of or in opposition to such candidate.

The bill requires statements of independent expenditures to be filed at the following times:

- On or before the next succeeding date on which reports are due to be filed pursuant to continuing law; and

- On or before 11:59 p.m. on the second day immediately following the date of the last independent expenditure if a person makes independent expenditures in aggregate of $1,000 or more in the same calendar year after filing a statement of independent expenditures.

Citizenship Requirement for Voting; HCR 5004

HCR 5004, if adopted by a two-thirds majority of each chamber of the Kansas Legislature and approved by voters, amends Section 1 of Article 5 of the *Kansas Constitution* to clarify that no person shall be deemed a qualified elector unless such person is a citizen of the United States, has attained the age of 18, and, unless a residency exception applies to such person, resides in the voting area in which such person seeks to vote.

[*Note:* Section 1 of Article 5 of the *Kansas Constitution* currently states that every citizen of the United States who has attained the age of 18 and who resides in the voting area he or she seeks to vote shall be deemed a qualified elector.]

The resolution requires the following explanatory statement to be printed on the ballot with the text of the amendment if it is submitted to voters for their approval:

> This amendment would clarify only a person who is a citizen of the United States is eligible to vote in this state.
>
> A vote for this proposition would clarify that only a person who is a citizen of the United States is eligible to vote in this state.
>
> A vote against this proposition would make no change to the Constitution of the State of Kansas, and the language concerning voter qualifications would remain the same.

If approved by two-thirds of the Legislature, the text of the resolution and the yea and nay votes of both the House of Representatives and the Senate will be published in the journals of both chambers.

The resolution requires the proposed constitutional amendment to be submitted to voters at the general election on November 3, 2026, unless a special election is called at a sooner date by concurrent resolution of the Legislature.

ENVIRONMENT

Pesticide Remediation Relief to Certain Property in Johnson County; HB 2169

HB 2169 amends law to provide relief from certain pesticide remediation to certain property located in Johnson County.

The bill prohibits a state agency or subdivision from issuing cleanup orders; seeking recovery of money; promulgating regulations or guidance; failing to timely grant approvals for any permit under any state program, including issuance of a no-further-action approval or Resource Conservation and Recovery Act permit modification; or otherwise requiring any person owning or possessing any interest in property previously owned by the U.S. Army that is located in Johnson County to be responsible for any non-residential property restrictions on use of such land or the costs of investigation, removal, or remediation of soil, groundwater, or surface water where legally registered pesticidal commercial chemical products were applied at or near structures on land to control pests by the U.S. Army at the property prior to 2005.

The bill is only applicable to any such person if the property owned by the person is non-residential. Any person owning the non-residential property is responsible for the costs of investigation, removal or remediation of soil, groundwater, or surface water of contamination as provided by law, including, but not limited to, contamination by legally registered pesticidal commercial chemical products, if the person converts the property to residential property or the property is constructed as a day care facility.

The bill requires owners of the non-residential property to provide notice of the potential presence of legally registered pesticidal commercial chemical products on the property that may need to be remediated, as determined by the Kansas Department of Health and Environment (KDHE), if the property is ever used for residential purposes. Such notice runs with the land and remains permanently on all future deeds until the pesticidal products are at levels provided by continuing law, or the property has been remediated.

[*Note:* The property, Astra Enterprise Park, will contain the Panasonic battery production facility and other industrial and commercial sites related to the project.]

The bill allows the provisions of the prohibition to be applied retroactively.

The bill amends law to exempt such property owners responsible for the discharge, abandonment, or disposal of hazardous substances from responsibility for the payment of the costs of the investigation to determine whether remedial action is necessary at the site.

FEDERAL AND STATE AFFAIRS

Live Horse Racing Licensure; SB 21

SB 21 amends the Kansas Parimutuel Racing Act to change certain licensing requirements regarding live horse racing and to alter the distribution of moneys from certain funds.

Definitions

The bill amends definitions for "horsemen's association" and "horsemen's nonprofit organization" to remove location restrictions and references to specific racetracks, which will permit organizations of either type to obtain licenses for racetrack facilities located anywhere in Kansas.

Organization Licenses

The bill removes the requirement that race meets are held within the boundaries of the county where the applicant for licensure is located. [*Note:* Continuing law would still require organizations to conduct no more than two race meetings each year, and the meetings be held for no more than 40 days per year.]

Fair Associations

The bill requires fair associations that intend to conduct live horse racing and are applying for licensure to submit documentation demonstrating the applicant is approved for the license by:

- The Kansas Quarter Horse Racing Association and the Kansas Thoroughbred Association; or

- A horsemen's non-profit organization.

Horsemen's Non-profit Organization

The bill prohibits horsemen's non-profit organizations that intend to conduct live horse racing and are applying for licensure from:

- Conducting live horse racing prior to March 1, 2028, unless the licensee intends to conduct the races at Eureka Downs; and

- Operating historical horse race machines.

Horsemen's Associations

The bill prohibits a horsemen's association that is applying for a facility owner license or facility manager license from operating historical horse race machines at the racetrack facility for which it is seeking licensure.

State Racing Fund

The bill redirects the distribution of moneys from the State Racing Fund. For moneys in excess of the amount required for operating expenditures of the Kansas Racing and Gaming Commission (Commission):

- 30 percent of the tax revenues from wagers on historical horse races will be transferred from the State Racing Fund to the Kansas Horse Breeding Development Fund (Development Fund); and

- 70 percent of the tax revenues from wagers on historical horse races will be transferred from the State Racing Fund to the Horse Fair Racing Benefit Fund (Benefit Fund).

The moneys will be transferred to each fund on or before July 15, 2025, and on the 15th day of each month thereafter.

Kansas Horse Breeding Development Fund

The bill amends the distribution of moneys from the Development Fund. The bill extends the stallion and breeder's awards to include owners of stallions and mares of Kansas-bred horses that compete in recognized parimutuel races and finish at a level determined by the Commission.

Horse Fair Racing Benefit Fund

The bill permits 15 percent of moneys credited to the Benefit Fund to be used for the promotion of the parimutuel racing industry in Kansas. Non-profit horsemen's organizations can apply to the Commission for the use of such moneys. Moneys in the Benefit Fund can also be used to pay for costs related to lease agreements for land, equipment, or other materials necessary to conduct a race meeting.

FINANCIAL INSTITUTIONS

State Banking Code Updates; SB 139

SB 139 amends the State Banking Code (Banking Code) as follows:

- Requires administrative hearings to be held in accordance with the Kansas Administrative Procedure Act (KAPA) when determining whether a bank is a holding company and whether a cease-and-desist order should be issued by the State Banking Board;

- Requires notification to be provided to the State Bank Commissioner (Commissioner) regarding changes to key leadership positions of bank and trust companies;

- Addresses when the charter of a bank or trust company would be void after an approved merger;

- Exempts certain bank or trust companies from approval by the Commissioner to lawfully engage in banking or trust business in the state;

- Removes the requirement that certain certified documents be provided with an application for the contracting of trust services if certain conditions are met;

- Expands the allowable distance for the relocation of a trust office; and

- Amends the requirements for non-resident trust companies to do business in Kansas.

Definition Pertaining to Bank Holding Companies (Section 1)

The bill amends the definition of a “bank holding company” to specify that a hearing to determine whether a bank is a holding company must be conducted in accordance with the KAPA.

Branch Banking (Section 2)

The bill corrects a statutory reference.

Notification Requirements of Changes in Key Positions of Bank and Trust Companies (Section 3)

The bill requires each bank and trust company to file an oath with the Commissioner within 15 days of the election of any officer or director. The bill requires each bank and trust company to notify the Commissioner of:

- Any newly appointed chief executive officer, president, or directors prior to the commencement of such individuals' duties; and

- Any executive officer, president, or director who is voluntarily or involuntarily relieved from the position's duties within five business days.

Mergers Resulting in a National Bank (Section 4)

The bill requires the charter of a bank or trust company that will cease to exist after an approved merger to be deemed void on the next business day immediately following the merger consummation date.

Administrative Hearing Requirement on Cease-and-desist Orders (Section 5)

The bill requires administrative hearings that determine whether a cease-and-desist order should be issued by the State Banking Board be held in accordance with the KAPA.

Exemption from Commissioner's Approval to Lawfully Engage in Banking or Trust Company Business (Section 6)

The bill exempts banks with federally insured deposits that are chartered in Kansas, in another state, or by the federal government from first having to obtain authority from the Commissioner to lawfully engage in the banking business.

The bill also provides that a federally insured bank or credit union with authorization from another state or the federal government to engage in trust business in Kansas is exempt from the provision that makes it unlawful for any individual, firm, or corporation to advertise, publish, or otherwise communicate that such entity is engaged in the trust business without first having obtained authority from the Commissioner.

Documents Required for an Application for the Contracting of Trust Services (Section 7)

The bill removes the requirement that the following certified copies be provided with the application made to the Commissioner for the contracting of trust services:

- The written action taken by the board of directors of the originating trustee or financial institution approving the agreement; and

- Proof of publication of notice that the applicant intends to file or has filed an application.

However, if the originating trustee or financial institution is transferring more than 50 percent of the financial institution's total fiduciary accounts, the bill requires that certified copies of the two documents referenced above be included with the application for the contracting of trust services.

Relocation of a Trust Office (Section 8)

The bill extends the Commissioner's authority to exempt from the application process a trust company proposing to relocate an existing trust service office to less than 10 miles from the trust company's existing location, changed from allowing such an exemption only for a relocation less than 1 mile from the existing location.

If an exemption is granted, the bill requires each trust company to document the written action taken by the board of directors of the trust company approving the proposed relocation of the trust office and all other required regulatory approvals.

Requirements for Non-resident Trust Companies to Do Business in Kansas (Section 9)

The bill allows the Commissioner to require any non-resident trust company to meet the greater of the requirements stated under the Banking Code or the laws of the non-resident trust company's home state required for a Kansas trust company to do business in the non-resident trust company's home state.

Additional Statutes Repealed

The bill repeals the following statutes not amended in the bill:

- KSA 9-2101, pertaining to the issuance by the Commissioner of a certificate of authority as a bank to a trust company authorized to accept deposits upon the surrender of such trust company's charter; and

- KSA 16-842, pertaining to when a credit card holder is liable for unauthorized use and the actions for enforcement of liability.

Public Moneys Pooled Method of Investing; Sub. for HB 2152

Sub. for HB 2152 establishes the public moneys pooled method and makes changes related to the deposit of public moneys in financial institutions and the investment of public moneys by financial institutions.

The bill:

- Requires banks, savings and loan associations, or savings banks (financial institutions) to secure governmental deposits above the amount insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) by using a public moneys pooled method;

- Establishes procedures for reporting and for financial institutions experiencing default;

- Prohibits investment advisers executing bids for the investment of public moneys from directly managing money from such bids;

- Establishes a complaint process for financial institutions to report when governmental entities are believed to be in non-compliance;

- Amends law regarding the investment of local and state public moneys, the Municipal Investment Pool Fund, and governmental units' investment policies; and

- Makes technical and conforming changes.

Public Moneys Pooled Method (New Section 1)

The bill establishes the public moneys pooled method, which is a method to secure the deposit of public moneys in excess of the amount insured or guaranteed by the FDIC. The bill defines "public moneys pooled method" or "pool of securities" to mean shares of investment companies registered under the federal Investment Company Act of 1940 when the investment companies' assets are limited to obligations that are eligible for investment by the financial institution and limited by their prospectuses to owning securities enumerated in law.

The bill requires a financial institution to secure the deposits of one or more governmental units by depositing, pledging, or granting a security interest in a pool of securities to secure the repayment of all public moneys deposited in the institution by the governmental unit and not otherwise secured by law, provided that, at all times, the aggregate market value on the pool of securities is equal to at least 102.0 percent of the amount on deposit that is in excess of the amount insured or guaranteed by the FDIC.

The bill requires each financial institution to carry on its accounting records a general ledger or other appropriate accounting of the total amount of all public moneys to be secured by the pool of securities as determined at the opening of each business day and the aggregate market value of the pool of securities deposited, pledged, or in which a security interest is granted to secure such public moneys.

The State Treasurer can serve as the administrator with respect to a public moneys pooled method or can designate a financial institution, trust company, or other qualified firm, corporation, or association that is authorized to transact business in Kansas to serve as administrator. The administrator is prohibited from accepting public deposits from a governmental unit while administering the public moneys pooled method, and the bill requires the administrator submit a formal conflict of interest document in a manner prescribed by the State Treasurer. Expenses of the administrator are to be paid by the Office of the State Treasurer.

The bill tasks the administrator with assessing and managing the sufficiency of the public moneys pooled method, including, but not limited to, the compliance by a financial institution that the aggregate market value of the pool of securities of such financial institution is an amount not less than 102.0 percent of the total amount of public moneys or funds less the portion of the public moneys or funds insured or guaranteed by the FDIC.

The bill authorizes the State Treasurer to adopt rules and regulations to administer and implement the provisions of the bill, including, but not limited to, rules and regulations to assess and manage the sufficiency of the public moneys pooled method.

A financial institution in which public moneys or funds are deposited is permitted at any time to substitute, exchange, or release securities deposited if such action does not reduce the aggregate market value of the pool of securities to an amount less than 102.0 percent of the total amount of public moneys or funds less the portion of such public moneys or funds insured or guaranteed by the FDIC. The financial institution is required to notify the administrator if additional collateral is required to be pledged due to an increase in deposits placed by the governmental unit and if the financial institution desires to release collateral due to a reduction in governmental unit deposits.

The bill requires each financial institution that satisfies its requirement to secure the deposit of public moneys or funds in excess of the amount insured or guaranteed by the FDIC by depositing, pledging, or granting a security interest in a single pool of securities, or any combination thereof, render to the administrator, on or before the tenth day of each month, a statement showing, as of the last business day of the previous month, the:

- Amount of public moneys or funds deposited in the financial institution that is not insured or guaranteed by the FDIC by:
  - Each governmental unit separately; and
  - All governmental units in the aggregate;
- Aggregate market value of the pool of securities; and
- Name, phone number, and email address of a representative of each governmental unit represented in the pool.

The administrator is required to provide a report, not later than 20 days after the deadline for receiving the statement, to each governmental unit listed in the statement, reflecting:

- The amount of public moneys and funds deposited in the financial institution by each governmental unit as of the last business day of the previous month that is not insured or guaranteed by the FDIC; and
- The aggregate market value of the pool of securities deposited as of the last business day of the previous month.

The bill requires the report to clearly notify the governmental unit if the value of the securities did not meet the statutory requirement.

If the administrator, at any time, determines the value of the securities does not meet the statutory requirement, the bill requires the administrator to send notice to the financial institution, allowing the institution up to five business days to adjust the securities to meet the statutory requirement. If the institution does not meet the statutory requirement within the required time frame, the institution is subject to a fine and potential sanctions issued by the administrator, pursuant to the rules and regulations adopted by the State Treasurer.

A financial institution is not permitted to use the public moneys pooled method unless the State Treasurer establishes a public moneys pooled method in accordance with the bill or designates an administrator.

This section takes effect on January 1, 2026.

Financial Institutions in Default (New Section 2)

The bill requires the administrator, when the administrator determines that a financial institution has experienced a default, to:

- Ascertain the aggregate amounts of public moneys secured pursuant to the State Banking Code and other continuing law and deposited in the defaulting financial institution, as disclosed by the financial institution's records;

- Then determine for each governmental unit the amount of public moneys not insured or guaranteed by the FDIC and the amount of public moneys secured by a pool of securities pledged;

- Then provide each governmental unit with a statement that reports the amount of public moneys deposited by the governmental unit in the defaulting financial institution, the amount of public moneys that may be insured or guaranteed by the FDIC, and the amount of public moneys secured by the pool of securities, or any combination thereof, pursuant to continuing law;

    - Each governmental unit is required to verify the information in the report with the governmental unit's records within ten business days after receiving the report and information from the administrator; and

- Repay each governmental unit for the public moneys not insured or guaranteed by the FDIC deposited into the defaulting financial institution by the governmental unit upon receipt of a verified report from the governmental unit. The administrator can liquidate the securities pledges for immediate distribution if the administrator determines that public moneys are not likely to be promptly paid upon demand.

The bill requires any liquidation to conform to the procedures established in the bill. In the event that the amount of the deposit guaranty bond or the proceeds of the securities held by the administrator after liquidation is insufficient to cover all public moneys not insured or guaranteed by the FDIC for all governmental units served by the administrator, the administrator will pay out to each governmental unit available amounts *pro rata* in accordance with the respective public moneys not insured or guaranteed by the FDIC for each governmental unit.

The bill allows the administrator's listed duties under this section to be delegated to and performed by a federal deposit insurance agency, in the event that a federal deposit insurance agency is appointed and acts as as liquidator or receiver of any financial institution under state or federal law.

This section takes effect on January 1, 2026.

Reports (New Section 3)

The bill requires a financial institution, upon the request of a governmental unit, to report, as of the date of the request, the amount of public moneys deposited in the financial institution that is not insured or guaranteed by the FDIC by:

- The governmental unit making the request; and

- The total amount for all other governmental units secured pursuant to continuing law, and the aggregate value of the pool of securities, including those public moneys deposited by the governmental unit.

The report must be made on or before the date the governmental unit specifies.

The bill also requires the administrator, upon the request of a governmental unit, to report on a date specified by the governmental unit the aggregate market value of the pool of securities and provide an itemized list of the pool of securities as of the date of the request.

This section takes effect on January 1, 2026.

Restrictions on Investment Advisers (New Section 4)

Excluding federally registered investment advisers, the bill prohibits an investment adviser that executes bids for the investment of public moneys on behalf of the governmental unit from engaging in a principal transaction with the governmental unit that is the same or directly related to the issue of securities or financial product for which the investment adviser is providing or has provided advice.

The bill defines “investment adviser” as the term is defined in the Uniform Securities Act.

Compliance Complaints (New Section 5)

If a financial institution has a good faith reason to believe that a governmental unit has not acted in compliance with the law, the eligible financial institution is permitted to file a complaint with the State Treasurer in writing and signed by an executive officer of the institution, submitted in the form prescribed by the State Treasurer.

Each filed complaint is confidential, not subject to the Open Records Act, and not to be disclosed except as provided in the bill. This provision expires on July 1, 2030, unless the Legislature reviews and acts to continue the provision prior to July 1, 2030.

If the State Treasurer determines that the verified complaint does allege facts, directly or upon information and belief, sufficient to constitute a violation of the law, the State Treasurer is required to promptly investigate the alleged violation.

If, after the investigation, the State Treasurer finds that probable cause does not exist to believe the allegations of the complaint, the State Treasurer dismisses the complaint. If the State Treasurer finds that probable cause exists to believe the allegations of the complaint, the complaint is no longer confidential and may be disclosed. Upon making any such finding, the

State Treasurer will schedule a hearing, no more than 30 days after the finding. In either event, the State Treasurer will notify the complainant and respondent of the determination.

The State Treasurer is required to notify the Attorney General and the Pooled Money Investment Board (PMIB) of any apparent violation of law that is discovered during the course of the investigation.

Any governmental entity that knowingly violates the law:

- For the first violation, is required to complete a training approved by the State Treasurer concerning the law's requirements; and

- For a second and each succeeding violation, is liable for the payment of a civil penalty in an action brought by the Attorney General, in a sum set by the court of not to exceed $500 for each violation.

    - Any civil penalty sued for and recovered hereunder by the Attorney General will be paid into the Attorney General's Open Government Fund.

Requiring the Public Moneys Pooled Method (Section 6)

The bill amends an article regarding deposit of public moneys in the State Banking Code to require financial institutions to secure the deposit of public moneys of one or more governmental units through the public moneys pooled method. The bill also replaces the term "municipal corporation or quasi-municipal corporation" with "governmental unit," and defines "governmental unit" as the State or any county, municipality, or other political subdivision of the State.

Investment of Public Moneys (Section 7)

The bill amends law regarding the investment of public moneys held by a governmental unit, entity, or subdivision (unit) to provide that, in selecting a financial institution, the governmental unit can accept any rate agreed upon by the governmental unit and the eligible financial institution.

The bill requires the investing governmental unit to select one or more eligible financial institutions that makes deposits available to the governmental unit at interest rates equal to or greater than the investment rate.

The bill also amends the law to require public moneys deposited through a selected financial institution be secured by the public moneys pooled method.

In selecting a depository institution, an investing governmental unit is required to allow an eligible financial institution two business days to respond to the bid.

Municipal Investment Pool Fund (Section 8)

The bill requires that deposits in the Municipal Investment Pool Fund be accompanied with:

- A certification to prove compliance with the requirement that the financial institution made investments available at interest rates equal to or greater than the investment rate; and

- A listing of the financial institutions from which the governmental unit requested bids.

Investment Policies (Section 9)

The bill amends continuing law to require the investment policy of any governmental unit to include:

- A listing of the financial institutions from which the governmental unit requested bids in the preceding year;

- An annual portfolio holdings report in a form prescribed by the PMIB; and

- Any fee or cost the governmental unit is paying for investment adviser services.

The bill requires the PMIB to report annually to the Legislature a list of governmental units that have been approved under the bill, including the documents listed.

State Moneys (Section 10)

The bill amends law regarding state moneys to cap the dollar amount of state moneys invested in any one bank at 2.5 percent of the bank certificate of deposit program.

The bill also amends law authorizing the Director of Investments to award the investment account to the requesting bank at the investment rate, which the bill changes from the market rate.

The bill requires the investment rate to be determined each business day by the Director of Investments, in accordance with any procedures established by the PMIB, at an interest rate that is up to 2.0 percent less than the market rate provided by this section. [*Note:* Under continuing law, subject to the policies of the PMIB, the market rate is required to reflect the highest rate at which state moneys can be invested on the open market in investments authorized by law for equivalent maturities.]

HEALTH

Advance Universal Newborn Screening Program, Local Health Department Assistance, Annual Assessment of Service Rates; House Sub. for SB 126

House Sub. for SB 126 does the following:

- Updates the current newborn screening program to establish the Advance Universal Newborn Screening Program;
- Increases the minimum statutory state financial assistance to local health departments; and
- Increases the hospital provider annual assessment on services rate and extends the assessment to include critical access and rural emergency hospitals with revenues above a certain threshold.

Advance Universal Newborn Screening Program

The bill makes various updates to the current newborn screening program and establishes the name of the program as the Advance Universal Newborn Screening Program (Program). The Program will be administered by the Secretary of Health and Environment (Secretary) and includes educational programming, screening tests, a follow-up program, and, within the limits of available appropriations, medically necessary treatment products for all conditions determined and identified by the Secretary, which could include, but would not be limited to, conditions listed in the recommended uniform screening panel issued by the U.S. Secretary of Health and Human Services. Physicians or mid-level practitioners having knowledge of a case of one of the conditions identified by the Secretary in the physician's or mid-level practitioner's own patients will be required to report the case to the Secretary.

The bill specifies that mid-level practitioners have the same responsibilities as physicians under the Program, removes specific listed conditions, and clarifies that the maintenance of registry is for the purpose of follow-up services to support early diagnosis, treatment, and services for health development and the prevention of disability or morbidity.

The bill grants the Secretary authority to adopt rules and regulations to determine the eligibility for reimbursement to individuals for the purchase of medically necessary food treatment products for diagnosed conditions.

The bill includes an annual transfer of up to $5.0 million from the Health Maintenance Organization privilege fee in the Kansas Newborn Screening Fund. [*Note:* In current law, the transfer is limited to fiscal years 2024, 2025, and 2026.]

Local Health Department Assistance

The bill increases the minimum statutory state financial assistance to local health departments from $7,000 per year to $12,000 per year. [*Note:* Budget provisos in FY 2021 through FY 2025 have increased the funding to $12,000 annually.]

Annual Assessment of Services Rates

The bill increases the annual assessment rate to an amount no greater than 6.0 percent of each hospital's net inpatient and outpatient operating revenue as determined by the Healthcare Access Improvement Panel (Panel). The bill adjusts the due dates for assessment payments from June 30 and December 31 to May 30 and November 30 of each year.

Critical access hospitals and licensed rural emergency hospitals that have revenues below the threshold determined by the Panel will be exempt from the assessment.

The bill authorizes the Kansas Department for Health and Environment (KDHE) to take legal action against any hospital that fails to pay the amount due, including penalties, upon recommendation of the Panel except when the hospital has established and is in compliance with a payment schedule approved by KDHE.

Right to Try for Individualized Treatments Act; SB 250

SB 250 creates the Right to Try for Individualized Treatments Act (Act). The bill authorizes a manufacturer operating in an eligible facility to make available individualized investigative treatments and allows individuals with life-threatening or severely debilitating illnesses to request an individualized investigational drug, biologic product, or device (investigational treatment product) from such manufacturers . The bill defines terms used in the Act; defines and establishes a procedure for use of a patient's biospecimen; addresses requirements for informed consent for investigational treatments, manufacturer requirements, and liability exemptions; and clarifies insurance and health coverage pursuant to the Act. The bill also makes conforming amendments.

Definitions

The bill defines several terms applicable to the Act:

- "Biospecimen" means biological materials obtained from living or deceased human subjects;
- "Eligible patient" means an individual who has:
  - A life-threatening or severely debilitating illness, attested to by the patient's treating physician;
  - Considered all other treatment options currently approved by the U.S. Food and Drug Administration;
  - Received a recommendation from the patient's physician for an individualized investigational treatment, based on analysis of the patient's genomic sequence; human chromosomes; deoxyribonucleic acid (DNA); ribonucleic acid (RNA); genes; gene products, such as enzymes and other types of proteins; or metabolites;
  - Given written, informed consent for the use of the investigational treatment product; and

  - Documentation from the patient's physician that such patient meets the requirements of the Act;

- "Individualized investigational treatment" means drugs, biological products, or devices that are unique to and produced exclusively for use on an individual patient, based on the patient's own genetic profile. The term includes, but is not limited to, individualized gene therapy antisense oligonucleotides (ASO), and individualized neoantigen vaccines;

- "Life-threatening or severely debilitating illness" has the meaning as contained in federal law. [*Note:* 21 CFR § 312.81 defines "life-threatening" to mean diseases or conditions where the likelihood of death is high unless the course of the disease is interrupted and with potentially fatal outcomes, where the end point of clinical trial analysis is survival. "Severely debilitating" means diseases or conditions that cause major irreversible morbidity.];

- "Physician" means an individual licensed by the State Board of Healing Arts to practice medicine and surgery;

- "Written, informed consent" (consent) means a written document that is signed by a patient, a parent if the patient is a minor, the legal guardian or authorized representative (defined in KSA 65-6836 to mean the person designated in writing by the patient to obtain the health care records of the patient or the person otherwise authorized by law to obtain the health care records of the patient), and attested to by the patient's physician and a witness who is unaffiliated with the patient's physician or the physician's place of business, that includes specific consent document requirements detailed below; and

- "Eligible facility" means an institution that is operating under a federal-wide assurance for the protection of human subjects under federal law and that is subject to the federal-wide assurance laws, regulations, policies, and guidelines, including renewals and updates.

Consent Document Requirements

The bill requires written, informed consent to include the following:

- An explanation of the currently approved products and treatments for the patient's disease or condition;

- Clear identification of the specific proposed investigational treatment product the patient is seeking to use;

- A description of potential best and worst outcomes of using the investigational treatment product and a realistic description of the most likely outcome. The bill requires the description to:

  - Include the possibility that new, unanticipated, different, or worse symptoms might result and death could be hastened by the proposed treatment; and
  - Be based on the physician's knowledge of the proposed treatment in conjunction with an awareness of the patient's condition;

- A statement that the patient's health plan or third-party administrator is not required to pay for any care or treatment as a result of the use of the investigational treatment product, unless such provider is required to do so by law or contract;

- A statement that the patient's eligibility for hospice care may be withdrawn if the patient begins curative treatment with an investigational treatment product, and that such care may be reinstated if the treatment ends and the patient meets hospice eligibility requirements; and

- A statement that the patient understands the patient is liable for all expenses related to the use of the investigational treatment product and the liability extends to the patient's estate, unless a contract between the patient and the manufacturer of the investigational treatment states otherwise.

Eligible Facilities or Manufacturers Operating within an Eligible Facility

Use of Patient's Biospecimen

The bill requires notification to the patient or the patient's estate and their consent to such intended use if the patient's biospecimen will be used or has been requested to be used by an eligible facility for a purpose other than the individualized investigative treatment of the patient.

The bill requires that an eligible facility disclose to a patient or a patient's estate each potential commercial application on any product developed from a patient's biospecimen prior to a profit being realized. The bill requires the patient or patient's estate to consent to each commercial application of the patient's biospecimen, including profit sharing or other contractual obligations.

Availability of Investigational Treatment or Product

The bill authorizes a manufacturer operating within an eligible facility, according to all applicable federal-wide assurance laws and regulations, to make available an individualized investigative treatment, and allows an eligible patient to request an investigative treatment product from an eligible facility or manufacturer operating within an eligible facility under this Act. The Act does not require a manufacturer to make an investigational treatment product available to an eligible patient.

The bill provides that an eligible facility or a manufacturer within an eligible facility could:

- Provide an investigational treatment product to an eligible patient without receiving compensation; or

- Require an eligible patient to pay the costs of, or costs associated with the manufacture of, the investigational treatment product.

Insurance Coverage and Payment of Costs

The bill does not expand the coverage required of an insurer under the Insurance Code of the State of Kansas (Insurance Code).

The bill provides that a health plan, third-party administrator, or governmental agency could provide coverage for the cost of an investigative treatment product or the cost of services related to the use of such product under the Act. However, the Act will not require:

- Any governmental agency to pay costs associated with the use, care, or treatment of a patient with an investigational treatment product; or

- A hospital or facility licensed under Article 4 of Chapter 65 of the Kansas Statutes to provide new or additional services unless approved by the hospital or facility. [*Note*: KSA 65-411 defines "medical facility" to include public health centers; psychiatric hospitals; health maintenance organizations as defined in KSA 40-3202; medical care facilities as defined in KSA 65-425; adult care homes, which are limited to nursing facilities and intermediate personal care homes as these terms are defined in KSA 39-923; kidney disease treatment centers, including centers not located in a medical care facility; and other facilities as may be designated by the Secretary of Health, Education, and Welfare for the provision of health care. KSA 65-424a defines "medical facilities" as diagnostic and treatment centers, rehabilitation facilities and nursing homes as those terms are defined in Title VI of the U.S. Public Health Service Act, and such other medical facilities for which aid may be authorized under such federal act.]

Liability of Patient's Heirs

The bill provides, if a patient dies while being treated by an investigational treatment product, the patient's heirs would not be liable for any outstanding debt related to the treatment or lack of insurance due to the treatment, except that, a patient's estate may be held liable for any outstanding debt related to the treatment or lack of insurance due to such treatment.

Disciplinary Action Against Health Care Provider Licensure or Certification

The bill prohibits a licensing board from revoking, failing to renew, suspending, or taking any disciplinary action against a health care provider's license issued under Kansas Public Health statutes (Chapter 65 of Kansas Statutes) based solely on the health care provider's recommendations to an eligible patient regarding access to or treatment with an investigational treatment product.

The bill states that counseling, advice, or recommendations consistent with medical standards of care from a licensed health care provider would not be a violation of the Act.

The bill prohibits an entity responsible for Medicare certification from taking action against a health care provider's Medicare certification based solely on such provider's recommendation that a patient have access to investigational treatment products.

Blocking Access to Investigational Treatment Products Prohibited

The bill prohibits an official, employee, or agent of the State from blocking or attempting to block an eligible patient's access to investigational treatment products.

Private Cause of Action Prohibited

The bill provides, if a manufacturer of an investigational treatment product or any other person or entity involved in the care of an eligible patient using an investigational treatment product complies in good faith with the terms of the Act and exercises reasonable care, the Act does not create a private cause of action against such manufacturer or against any other person or entity for any harm done to the eligible patient resulting from the product. However, the bill does allow for a patient's estate to be held liable for any outstanding debt related to the treatment or lack of insurance due to the treatment.

Participation in Clinical Trials

The bill provides that the Act would not affect any mandatory health care coverage for participation in clinical trials under the Insurance Code.

Exemptions from the Definition of "Home Health Agency"; Changes to Emergency Medical Services Statutes; Adding Maternity Centers to the Definition of "Health Care Provider"; HB 2039

HB 2039 amends statutes relating to home health agencies to clarify the definition of "home health agency" for the purposes of credentialing; amends law regarding emergency medical services (EMS) and EMS providers to clarify authorized activities of paramedics, advanced emergency medical technicians (advanced EMTs), emergency medical technicians (EMTs), and emergency medical responders; and amends the Health Care Provider Insurance Availability Act to add certain maternity centers to the definition of "health care provider."

Exemptions from the Definition of "Home Health Agency"

The bill exempts from the definition of "home health agency" entities that are not reimbursed by Medicare Part A and only provide services of persons licensed or certified under the Physical Therapy Practice Act and Occupational Therapy Practice Act and persons licensed as speech-language pathologists.

Changes to Emergency Medical Services Statutes

Definitions

The bill amends definitions in law regarding EMS as follows:

- Updates the definition of "advance practice registered nurse" to refer to individuals licensed and with the authority to prescribe drugs as provided in the definition within the Kansas Nurse Practice Act; and

- Creates a definition of "qualified healthcare provider," which means a physician, a physician assistant when authorized by a physician, an advanced practice registered nurse, or a professional nurse when authorized by a physician.

The bill defines "public place" as any areas open to the public or used by the general public, including, but not limited to, banks, bars, food service establishments, retail service establishments, retail stores, public means of mass transportation, passenger elevators, health care institutions or any other place where health care services are provided to the public, medical care facilities, educational facilities, libraries, courtrooms, public buildings, restrooms, grocery stores, school buses, museums, theaters, auditoriums, arenas, and recreational facilities. A private residence is not considered a "public place" unless the residence is used as a day care home, as defined in KSA 65-530.

Authorized Activities

The bill amends language regarding the authorized activities of paramedics, advanced EMTs, and EMTs to specify that such activities are authorized after successfully completing an approved course of instruction, local specialized device training, and competency validation, and when ordered by medical protocols or upon the order of a qualified health care provider, and:

- Clarifies the authorized activities of each level of EMT and makes technical revisions to align with current standards of practice for EMTs;

- Adds maintenance of intraosseous infusion to the list of authorized activities for advanced EMTs;

- Adds capillary blood sampling for purposes other than blood glucose monitoring, monitoring a saline lock, and monitoring of a nasogastric tube to the list of authorized activities for EMTs;

- Allows EMTs to monitor, maintain, or discontinue flow of an intravenous (IV) line without the approval of a physician for transfer by an EMT; and

- Adds, upon the order of a qualified health care provider, the ability for emergency medical responders to utilize equipment for the purposes of transmitting electrocardiogram (EKG) rhythm strips.

Supervision for Students or EMS Providers in Training

The bill specifies that students or EMS providers in training are required to be under the supervision of a physician, a physician assistant, an advanced practice registered nurse, a respiratory therapist, a professional nurse, or an EMS provider who is, at a minimum, certified to provide the level of care for which the student is seeking certification.

Ambulance Services

The bill exempts ambulance services providing only non-emergency transportation from the requirement that ambulance services be offered 24 hours per day, every day of the year.

For operators required to have a permit, the bill requires at least one person to be in the patient compartment during patient transport who is EMS certified or authorized, a physician, a physician assistant, an advanced practice registered nurse, a professional nurse, or a registered nurse holding a multistate license.

The bill allows for any county with a population of 30,000 or less to operate a ground vehicle providing EMS with one person who is a qualified health care provider if the driver of the vehicle is certified in cardiopulmonary resuscitation (CPR). The bill requires any EMS that chooses to adopt this policy to notify the Emergency Medical Services Board (Board) within 30 days of its adoption.

Registration of Automated External Defibrillators

The bill requires persons or entities that purchase, lease, possess, or otherwise control or acquire an automated external defibrilator (AED) to register the AED with the Board when the AED is placed in a public place within the state.

Adding Maternity Centers to the Definition of "Health Care Provider"

The bill requires a maternity center participating in the Health Care Stabilization Fund (HCSF or professional liability coverage) to have accreditation by the Commission for the Accreditation of Birth Centers and meet the licensure definition for maternity center (KSA 65-503). Under this licensure definition, a "maternity center" is a facility that provides delivery services for normal, uncomplicated pregnancies but does not include a medical care facility, as defined by KSA 65-425.

The bill also makes technical amendments to reorganize provisions listing professionals and facilities subject to the requirement of participation in the HCSF.

Physical Environment Waivers for Rural Emergency Hospitals; South Central Regional Mental Health Hospital; HB 2249

HB 2249 authorizes the Secretary for Aging and Disability Services (Secretary), upon application by a rural emergency hospital (REH) and compliance with certain requirements, to grant a physical environment waiver (waiver) for existing nursing facilities to a REH to provide skilled nursing facility care. The bill also establishes the South Central Regional Mental Health

Hospital, creates a fee fund, updates the catchment areas for the state hospitals, and renames "Parsons State Hospital and Training Center" to "Parsons State Hospital."

Requirements for Physical Environment Waiver

The bill authorizes the Secretary, after application by a REH, to grant a waiver to the REH to transition a maximum of 10 swing beds to skilled nursing facility beds if the REH:

- Is licensed as a REH under the Act;
- Was licensed as a hospital immediately prior to licensure as a REH; and
- Provided skilled nursing facility services or critical access hospital swing bed services to patients for a minimum of 12 months without an immediate jeopardy finding while being licensed as a hospital.

Definitions

The bill references definitions for "critical access hospital" (KSA 65-468) and "hospital" (KSA 65-425 in continuing law.

South Central Regional Mental Health Hospital

The bill establishes the South Central Regional Mental Health Hospital (South Central) in Wichita, Kansas, Sedgwick County, to expand access to mental health beds in south-central Kansas. The bill provides that South Central will follow the same rules and regulations as other state hospitals.

South Central Regional Mental Health Hospital Fee Fund

The bill creates the South Central Regional Mental Health Hospital Fee Fund (Fund) in the State Treasury. The Fund is administered by the Kansas Department for Aging and Disability Services (KDADS). All expenditures from the Fund must be used in accordance with appropriation acts upon warrants of the Director of Accounts and Reports issued after vouchers are approved by the Superintendent of South Central (Superintendent) or the Superintendent's designees.

State Security Hospital Extension at South Central

The Secretary is authorized and directed to establish, equip, and maintain, in connection with and as part of South Central, suitable buildings for an extension to the State Security Hospital for the purpose of holding in custody, examining, treating, and caring for mentally ill persons committed or ordered to the State Security Hospital by the district courts; inmates who may be transferred for care and treatment; or adult patients who may be transferred from any state hospital for care and treatment.

The Secretary is authorized and empowered to supervise and manage the extension of the State Security Hospital. The Superintendent of Larned State Hospital (LSH) is the Superintendent of the South Central Extension.

Catchment Areas

The bill establishes the catchment area for South Central as the following counties:

- Sedgwick;
- Butler;
- Cowley;
- Harvey; and
- Sumner.

The bill also updates the catchment areas for Osawatomie State Hospital to remove Butler, Cowley, and Sedgwick counties and add Cloud County. The bill removes Harvey and Sumner counties from the catchment area for LSH and adds Ottawa County.

The designation of a county to a particular catchment area does not prevent the admission of persons to a different state hospital when there are insufficient capacities and resources at the state hospital within a person's catchment area.

INSURANCE

Kansas Real Time Motor Vehicle Insurance Verification Act; Pilot Programs; Reporting; Enforcement; Third-party Administrators; Additional; SB 42

SB 42 makes various changes to the Insurance Code of the State of Kansas, including:

- Enacting the Kansas Real Time Motor Vehicle Insurance Verification Act to require the Commissioner of Insurance (Commissioner) to establish a web-based system for online verification of motor vehicle insurance and require motor vehicle insurers to cooperate with the Commissioner to establish and maintain the system as specified in the Act;

- Establishing a response time for insurance agents and insurers to respond to inquiries from the Kansas Department of Insurance (Department) and add the failure to respond to such inquiries to the list of actions that could lead to action against an agent or insurer's license;

- Allowing for an extension of one-year pilot programs or testing periods with approval from the Commissioner for a specific period of time determined by the Commissioner;

- Amending certain reporting requirements for the Commissioner;

- Amending the definition of "person" in statute regarding enforcement of insurance law;

- Amending law related to title insurance agent audits, surety bonds, and controlled business;

- Amending the Third Party Administrators Act to require third-party administrators (administrators) to maintain a separate fiduciary account for each payor and prohibit co-mingling of funds; and

- Making conforming amendments.

Kansas Real Time Motor Vehicle Insurance Verification Act

Definitions

The bill defines various terms as used in the Kansas Real Time Motor Vehicle Insurance Verification Act (Act), including:

- "Commercial vehicle coverage" means any coverage provided to an insured, regardless of the number of vehicles covered, under a commercial coverage form and rated from a commercial manual approved by the Department; and

- "Insurance verification system" means the web-based system for online verification of motor vehicle liability insurance.

Insurance Verification System

The bill directs the Commissioner to establish an online verification of motor vehicle insurance system (system). The bill requires the system to be web-based, supersede any other verification system requirements, and be the only system in Kansas for this purpose. The Commissioner also has the authority to adopt reasonable and necessary rules and regulations for the system.

Insurance Verification System Technical Capabilities

The bill creates requirements for the system, including the ability to:

- Transmit requests to insurers for verification of coverage and receive responses from insurance company systems. The bill requires insurance company systems to respond to each request for verification with a prescribed response upon evaluation of the data provided in such request;

- Ensure the data is secured in accordance with applicable data privacy protection laws;

- Be used for verification of motor vehicle liability insurance as prescribed by state law and accessible to authorized personnel and entities authorized by state or federal privacy laws;

- Interface wherever appropriate with existing state systems; and

- Include multiple data elements for greater matching accuracy, limited to:
    - Insurer National Association of Insurance Commissioners company code number;
    - Vehicle identification number;
    - Policy number;
    - Verification date; or
    - Other information as required by the Commissioner or Kansas Department of Revenue (KDOR).

Acquisition

The bill permits the Commissioner to conduct a competitive bid and contract process to purchase the system from a private service provider that has successfully implemented similar systems in other states.

Funding Source

The bill requires the Department to provide the funding for implementation, ongoing maintenance, and enhancement of the system from the Insurance Department Regulation Service Fund.

System Information Exchange

The bill directs insurers to cooperate with the Commissioner and KDOR to establish and maintain the system. Insurer systems are permitted reasonable system downtime with proper notice, and enforcement fees would not be charged during downtime or when the system is not available due to emergency situations, outside attack, or other unexpected outages outside the insurer's control as determined by KDOR.

The bill requires each property and casualty insurance company licensed to issue motor vehicle liability insurance or authorized to do business in Kansas to provide verification through the system for vehicles registered in Kansas and allow the company to use a third-party vendor.

The bill allows commercial motor vehicle insurers to participate in the system voluntarily.

The bill also provides insurers with immunity from civil and administrative liability for good faith efforts to comply with the Act.

Alternative Verification

The bill authorizes the Commissioner to establish, through rules and regulations, an alternative verification method for insurers that insure 1,000 or fewer vehicles in Kansas.

Confidentiality of Information

The bill establishes that all information and data provided by the insurance companies to the system, including all reports, responses, or other information generated for purposes on the system, are confidential by law and privileged. The information is not subject to the Kansas Open Records Act or subject to discovery or admissible as evidence in any private civil action.

Effective Date

The bill requires the system to be fully operational no later than July 1, 2026, following a testing period of no less than nine months. Enforcement action based on system information will not be permitted until the testing period has successfully been completed.

Law Enforcement Stops

The bill prohibits establishing compliance through the system as a primary cause for law enforcement to stop a vehicle.

Permitted Use

The online verification established through the Act may be used as proof of insurance for vehicle registration purposes.

Response to Department Inquiries

Agents and insurers are required to respond to an inquiry from the Department within 14 calendar days.

The bill adds the failure of an insurer to respond to an inquiry from the Department to the list of actions that could lead the Commissioner to deny, suspend, revoke, or refuse a new license or application for license.

Extension of Pilot or Testing Period

The bill allows the insurer or producer to request an extension on a one-year pilot or testing period for a value-added product or service from the Commissioner for additional time to determine if the value-added product or service meets the required criteria. The bill authorizes the Commissioner to grant such extension, with the specified time of the extension to be determined by the Commissioner.

Reporting Requirements

The bill removes the requirement that the Commissioner provide an annual report to the Governor regarding the general conduct and condition of insurance companies, including fraternal benefit societies doing business in the state. The Commissioner is required to publish the report on the Department website.

The bill also removes outdated language requiring the Commissioner to report to the Governor and the Legislature regarding the development of uniform electronic data interchange formats and standards.

Definition of "Person"

The bill amends the definition of "person" for purposes of enforcement of insurance law to remove references to specific entities already included under "any legal entity under the jurisdiction of the Commissioner."

Title Agent Audit Report Available by Request

The bill removes the requirement that each title insurance agent in the state submit a copy of its annual audit report made of its escrow, settlement, and closing deposit accounts to the Commissioner within 30 days of the end of a calendar year. The bill instead requires that annual audit reports of title insurance agents be available upon request. These provisions become effective on January 1, 2026.

Surety Bonds

The bill requires any title insurance agent who handles escrow, settlement, or closing accounts to file with the Commissioner documentation of a $100,000 surety bond or irrevocable letter of credit, regardless of the population of the county or counties the agent serves. This provision becomes effective on January 1, 2026.

Controlled Business Exemption

The bill removes the controlled business exemption for a title insurer or title agent for transactions in counties that have a population of 10,000 or less. This provision becomes effective on January 1, 2026.

Third-party Administrators

The bill amends the Third Party Administrators Act to require third-party administrators (administrators) to maintain a separate fiduciary account for each payor and prohibit co-mingling of funds, either collected or held, in a fiduciary account by the administrator on behalf of multiple payors.

[*Note*: Continuing law requires all insurance charges, premiums, collateral, and loss reimbursements collected by an administrator on behalf of or for a payor, and the return of premiums or collateral received from a payor, to be held by the administrator in a fiduciary capacity. The funds are to be immediately remitted to the person or persons entitled to such funds or deposited promptly in a fiduciary account established and maintained by the administrator in a federally or state-insured financial institution.]

The bill requires an administrator to disclose to the Commissioner any bankruptcy petition filed by or on behalf of the administrator pursuant to Chapter 9 or Chapter 11 of the U.S. Bankruptcy Code at the time such filing is made.

Insurance Code: Commissioner of Insurance Duties and Responsibilities; Board Membership and Meetings; Setting and Publication of Fees and Fines; Non-admitted Insurers; Renaming the Department; HB 2050

HB 2050 amends the Insurance Code of the State of Kansas relating to the powers, duties, and responsibilities of the Commissioner of Insurance (Commissioner). The bill grants the Commissioner the authority to decrease the number of appointed board members on certain boards that fall under the Commissioner's appointing authority and removes the requirements for the Committee on Surety Bonds and Insurance to meet at least once per month and that the meetings be held in the office of the Commissioner.

The bill authorizes the Commissioner to set the amounts of fees and fines for applications, licenses, license renewals, certificates of authority, and other required filings by certain insurance entities and public adjusters under the jurisdiction of the Commissioner and requires their publication by December 1 each year. The bill sets the maximum amount of the fees and fines for insurance entities and public adjusters as they are currently established in statute. The bill establishes a one-time fee for all newly certified agents associated with a company until either the company or agent terminates the appointment.

The bill amends law related to non-admitted insurers authorized to do business in Kansas.

The bill also renames the Kansas Insurance Department as the Kansas Department of Insurance; the Office of the Securities Commissioner of Kansas as the Department of Insurance, Securities Division; and the Securities Commissioner as the Department of Insurance Assistant Commissioner, Securities Division. The bill also removes the requirement for the Senate to confirm the Department of Insurance Assistant Commissioner, Securities Division, appointee.

The bill also makes conforming amendments.

Board Membership and Meetings

The bill grants the Commissioner the authority to decrease the number of appointed board members on certain boards that fall under the Commissioner's appointing authority. The bill removes the requirements for the Committee on Surety Bonds and Insurance to meet at least once per month and that the meetings be held in the office of the Commissioner.

Board Membership

The bill provides for a reduction in membership for four governing boards under the jurisdiction of the Commissioner:

- The governing board for the Kansas Automobile and Motor Vehicle Bodily Injury and Property Damage Liability Insurance Plan;
- The Kansas Workers Compensation and Employer's Liability Insurance Plan Governing Board;
- The governing board for the Kansas Automobile Assigned Claims Plan for personal injury protection benefits; and
- The Health Care Provider Insurance Availability Plan Board of Directors.

For each governing board, with the exception that of the Kansas Automobile Assigned Claims Plan, the bill provides for the terms of members appointed and serving on the governing board as of July 1, 2025, to expire on December 31, 2025.

Kansas Automobile and Motor Vehicle Bodily Injury and Property Damage Liability Insurance Plan. The bill provides for a reduction in membership for the governing board of the Kansas Automobile and Motor Vehicle Bodily Injury and Property Damage Liability Insurance Plan from nine members to five members.

The Commissioner is to appoint a governing board for the plan, which serves on and after January 1, 2026, and has the same duties and functions as its predecessor. On and after January 1, 2026, the members of the governing board serve three-year terms, except that

members are removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board consists of five members to be appointed as follows:

- Three members who are representatives of insurers;
- One member who is a representative of independent insurance agents; and
- One member who is a representative of the general public.

In making appointments to the governing board, the Commissioner is to consider whether foreign and domestic insurers are fairly represented. [*Note:* A domestic insurer is an insurance company formed under the laws of the State of Kansas. A foreign insurer is an insurance company formed under the laws of a state other than Kansas.]

Kansas Workers Compensation and Employer's Liability Insurance Plan Governing Board. The bill provides for a reduction in membership for the Kansas Workers Compensation and Employer's Liability Insurance Plan Governing Board from nine members to seven members.

The Commissioner is to appoint a governing board that serves on and after January 1, 2026, and has the same duties and functions as its predecessor. On and after January 1, 2026, the members of the Kansas Workers Compensation and Employer's Liability Insurance Plan Governing Board serve three-year terms, except that members are removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board consists of seven members to be appointed as follows:

- Four members who are representatives of insurance companies;
- Two members who are representatives of licensed insurance agents; and
- One member who is a representative of the general public.

In making appointments to the governing board, the Commissioner is to consider whether foreign and domestic insurers are fairly represented.

Kansas Automobile Assigned Claims Plan. The bill states that on and after January 1, 2026, the governing committee for the Kansas Automobile Assigned Claims Plan for personal injury protection benefits consists of five members, who are removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. [*Note:* KAR 40-3-35 provides for the appointment of nine members.] Members are appointed as follows:

- Three members who are representatives of insurers;
- One member who is a representative of independent insurance agents; and
- One member who is a representative of the general public.

The Commissioner is required to consider whether foreign and domestic insurers are fairly represented in selecting the members.

[*Note:* Effective January 1, 2024, the Kansas Automobile Assigned Claims Plan is now managed by AIPSO, a national, not-for-profit corporation formed by the insurance industry to provide services to automobile insurance residual markets throughout the country.]

Health Care Provider Insurance Availability Plan Board of Directors. The bill provides for a reduction in membership for the Health Care Provider Insurance Availability Plan Board of Directors from nine members to five members.

The Commissioner is to appoint a governing board that serves on and after January 1, 2026, and has the same duties and functions as its predecessor. On and after January 1, 2026, the members of the Health Care Provider Insurance Availability Plan Governing Board serve four-year terms, except that members are removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board consists of five members to be appointed as follows:

- One member who is a representative of foreign insurers;
- One member who is a representative of domestic insurers;
- One member who is a health care provider;
- One member who is a licensed insurance agent engaged in the solicitation of casualty insurance; and
- One member who is the chairperson of the Governing Board or the chairperson's designee.

Committee on Surety Bonds Board Meetings

The bill removes the requirements for the Committee on Surety Bonds and Insurance to meet at least once per month and that the meetings be held in the office of the Commissioner. Meetings are to remain at the call of the Chair.

Setting and Publication of Certain Fees and Fines

The bill authorizes the Commissioner to set the amounts of fees and fines for applications, licenses, license renewals, certificates of authority, and other required filings by certain insurance entities and public adjusters under the jurisdiction of the Commissioner. The bill sets the maximum amounts of the fees and fines for insurance entities and public adjusters as they are currently established in statute and outlined below.

The bill also requires the Commissioner to set the fees and fines for the next succeeding calendar year and publish those in the *Kansas Register* no later than December 1 of each calendar year.

The bill establishes a one-time fee for all newly certified agents associated with a company until either the company or agent terminates the appointment. The fee is non-recurrent and constitutes the only appointment fee charged for the duration of the newly certified agent's employment with the appointing company.

Modification of Fees and Fines

The bill sets the current fee amounts in statute as the maximum amounts that may be assessed for the following fines and fees:

- Application for license to sell stock of insurance company or health maintenance organization;
- Fee for insurance companies or fraternal benefit societies to file a summons or order of garnishment;
- Admission and annual fees for the following entities organized under Kansas law or under the laws of any other state, territory, or country:
  - Capital stock insurance companies and mutual legal reserve life insurance companies;
  - Mutual life, accident, and health associations; mutual fire, hail, casualty, and multiple line insurers and reciprocal or interinsurance exchanges;
  - Fraternal benefit societies;
  - Mutual nonprofit hospital service corporations;
  - Nonprofit medical service corporations;
  - Nonprofit dental service corporations;
  - Nonprofit optometric service corporations; and
  - Nonprofit pharmacy service corporations;
- Notification fee for utilizing the services of managing general agents;
- Application fee for certificate of authority for life insurance companies;
- Application fee for license as a rating organization;
- Application fee for certificate of authority for utilization review organizations;
- Continuation fee for license as a premium finance company;
- Annual registration fee for certificate of authority to transact life, accident, and health insurance business in the state;
- Fees for filing an application for a certificate of authority, filing an annual report, and for filing an amendment to the certificate of authority for health maintenance organizations and Medicare provider organizations;
- Filing fee for transactions affecting control of domestic insurers;

- Application fee for licensure as a home state third-party administrator (TPA);
- Application fee for licensure as a non-resident TPA;
- Fee to file an annual report by a TPA;
- Application fee for licensure as a pharmacy benefit manager (PBM) and penalty fee for failure to timely inform the Commissioner of a material change in the application information;
- PBM license renewal fee and penalty fee for late license renewal;
- Notification fee for risk retention groups to do business in the state;
- Notification fee to do business in the state as a purchasing group;
- Annual continuation fee for certificate of registration as a prepaid service plan;
- Fees for certificate of authority and annual renewal for captive insurance companies;
- License renewal fee for dormant captive insurance companies;
- Fees for application for certificate of authority and annual renewal for special purpose insurance captive insurance companies;
- Fees for application for licensure and annual continuation as a reinsurance intermediary;
- Continuing education credit qualification fee for all courses, programs of study, or subjects submitted by a specific provider or provider organization and an annual provider fee;
- Fees for application for licensure and annual renewal to operate as a viatical settlement provider or a viatical settlement broker; and
- Public adjuster license renewal fee.

Non-admitted Insurers Authorized to do Business in Kansas

The bill amends law related to non-admitted insurers authorized to do business in Kansas.

Eligible Non-admitted Insurers

Current law requires the Commissioner to maintain a list of insurers not authorized to do business in the state. The bill replaces the phrase "insurer not authorized to do business in this state" with "eligible nonadmitted insurer" throughout the sections of the bill regarding non-admitted insurers and requires the Commissioner to maintain a list of such eligible non-admitted insurers.

The bill states that a non-admitted insurer not included on the Commissioner's eligible non-admitted insurer list may transact business in the state if the insurer meets the eligibility requirements outlined in federal law regarding uniform standards for surplus lines eligibility.

The bill also removes the non-admitted insurer's non-refundable annual statement filing fee of $200.

Capital requirement. The bill increases the capital or surplus requirement for inclusion on the Commissioner's eligible non-admitted insurer list from $4.5 million to an amount equal to or greater than $15.0 million.

Motor Vehicle Dealer Licensure Insurance Requirements

The bill allows motor vehicle dealers to hold insurance issued by an eligible non-admitted insurer, and such insurance allows the dealer to meet the criteria for license issuance or renewal.

Renaming of Kansas Insurance Department and Office of Securities Commissioner of Kansas; Removal of Confirmation Requirement

Kansas Department of Insurance

The bill renames the Kansas Insurance Department as the Kansas Department of Insurance and clarifies that whenever the term "Kansas Insurance Department," or words of like effect, are referred to or designated by a statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty of the Kansas Insurance Department, the term is to be deemed to apply to the Kansas Department of Insurance.

Transfer of powers, duties, and functions to the Kansas Department of Insurance. The bill transfers toand imposes all powers, duties, and functions of the Kansas Insurance Department upon the Kansas Department of Insurance.

Rules and regulations, orders, and directives. The bill deems all rules and regulations, orders, and directives of the Commissioner of Insurance of the Kansas Insurance Department that are in effect on July 1, 2025, as effective and deemed to be rules and regulations, orders, and directives of the Commissioner of Insurance of the Kansas Department of Insurance until amended, revoked, or nullified.

Department of Insurance, Securities Division

The bill renames the Office of the Securities Commissioner of Kansas to the Department of Insurance, Securities Division. The bill clarifies that whenever the term "Office of the Securities Commissioner of Kansas," or words of like effect, are referred to or designated by a statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty of the Office of the Securities Commissioner of Kansas, the term is to be deemed to apply to the Department of Insurance, Securities Division.

Transfer of powers, duties, and functions to the Department of Insurance, Securities Division. The bill transfers to and imposes all powers, duties, and functions of the Office of the Securities Commissioner of Kansas upon the Department of Insurance, Securities Division.

Department of Insurance Assistant Commissioner, Securities Division

The bill renames the Securities Commissioner as the Department of Insurance as the Assistant Commissioner, Securities Division. The bill deems, whenever the Securities Commissioner, or words of like effect, are referred to or designated by statute, contract, or other document, and such reference or designation is in regard to any function, power, or duty of the Securities Commissioner of Kansas, the term is to apply to the Department of Insurance Assistant Commissioner, Securities Division.

The position continues to be appointed by the Commissioner but the requirement for Senate Confirmation for the role is removed.

Transfer of powers, duties, and functions to the Department of Insurance Assistant Commissioner, Securities Division. The bill transfers all powers, duties, and functions of the Securities Commissioner to the Department of Insurance Assistant Commissioner, Securities Division.

Rules and regulations, orders, and directives. The bill deems all rules and regulations, orders, and directives of the Securities Commissioner of Kansas that are in effect on July 1, 2025, as effective and as rules and regulations, orders, and directives of the Department of Insurance Assistant Commissioner, Securities Division, until amended, revoked, or nullified.

Amendments to Insurance Laws Regarding Calculations and Instructions, Self-funded Health Plans, Risk-based Capital, Licensing, Captive Insurance Companies, Public Adjusters, Travel Insurance, Premium Tax; HB 2334

HB 2334 amends the Insurance Holding Company Act, Uniform Insurance Agents Licensing Act, Public Adjusters Licensing Act, Captive Insurance Act, and other insurance-related law. The bill establishes the Protected Cell Captive Insurance Company Act.

The bill requires the Commissioner of Insurance (Commissioner) to select and announce insurance calculations, instructions promulgated by the National Association of Insurance Commissioners (NAIC), or other documents required by the NAIC. It adds certain self-funded health plans to the list of plans to which the Insurance Code of the State of Kansas (Insurance

Code) does not apply. It provides authority to the Commissioner to take disciplinary actions and establish criteria to review when considering disciplinary action against a public adjuster's license.

The bill addresses classification of travel insurance. It also reduces insurance company premium tax rates and discontinues the remittance and crediting of a portion of the premium tax to the Insurance Department Service Regulation Fund.

Effective Dates

All provisions of the bill take effect upon publication in statute book with the exception of the provisions pertaining to the reduction of insurance premium tax rates, the discontinuance of the remittance and crediting of such tax, and the preservation of reports and returns, all of which take effect on January 1, 2026, and upon publication in the statute book.

Selections of Insurance Calculations; NAIC-promulgated Instructions and Documents; Application of Insurance Code to Self-funded Heath Plans; RBC; Insurance Holding Company Act

The bill makes certain selections of calculations, instructions promulgated by the NAIC, or other documents required by the NAIC; adds certain self-funded health plans to the list of plans to which the Insurance Code does not apply; clarifies law regarding health organization RBC; amends the Insurance Holding Company Act; and makes other clarifying and technical amendments.

Insurance Calculations

The bill requires the Commissioner to select and announce the version of insurance calculations, instructions promulgated by NAIC, or other documents that may be required by NAIC for the next calendar year by publishing the announcement in the *Kansas Register* no later than December 1.

Calculations and instructions include, but are not limited to, RBC instructions, RBC managed care instructions, and group capital calculation instructions.

Self-funded Health Plans Excluded from Insurance Code Applicability

The bill adds the following to the list of those entities or plans to which the Insurance Code does not apply:

- A self-funded health plan established or maintained for its employees by the State or subdivision of the State, a school district, any public authority, or by a county or city government or any political subdivision, agency, or instrumentality thereof; and

- A self-funded health plan established or maintained for its employees by a church or by a convention or association of churches that is exempt from tax under Section 501 of the federal Internal Revenue Code.

Definitions Pertaining to RBC and Health Organization RBC Requirements

The bill amends definitions pertaining to RBC requirements and health organization RBC requirements.

RBC Requirements

- "RBC instructions" means the RBC instructions promulgated by the NAIC that are in effect as announced and noticed by the Commissioner.

Health Organization RBC Requirements

- "Health organization" means a health maintenance organization, limited health service organization; dental or vision plan; hospital, medical, and dental indemnity or service corporation; or other managed care organization licensed under articles of the Insurance Code relating to non-profit dental services corporations, non-profit medical and hospital service corporations, or health maintenance organizations and Medicare provider organizations, or an organization that is licensed as a life and health insurer under the Insurance Code general provisions relating to life insurance companies, and determined by the Commissioner to report predominantly health lines of business in accordance with a health statement test; and

- "RBC instructions" means the RBC instructions for managed care organizations promulgated by the NAIC that are in effect as announced and noticed by the Commissioner.

Insurance Holding Company Act

The bill adds the following definitions to the Insurance Holding Company Act, in addition to adding the NAIC acronym to the defined terms:

- "Financial analysis handbook" means the version of the NAIC financial analysis handbook adopted by the NAIC and in effect that is selected and noticed by the Commissioner;

- "Group capital calculation instructions" means the group capital calculation instructions selected and announced by the Commissioner;

- "NAIC Liquidity Stress Test Framework" means the separate NAIC publication that includes the history of the NAIC's development of regulatory liquidity stress

testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year and such scope criteria, instructions, and reporting templates as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC and as selected and announced by the Commissioner; and

- "Scope criteria" means, as detailed in the NAIC Liquidity Stress Test Framework, the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for such specified data year.

Insurance Holding Company Act Amendments

The bill amends the Insurance Holding Company Act to adopt provisions for group capital calculations and liquidity stress testing requirements and aligns the Act with NAIC accreditation standards. The bill requires the Commissioner to maintain confidentiality of the information reported.

Annual group capital calculation. The bill requires the ultimate controlling person of every insurer subject to registration to concurrently file with the registration an annual group capital calculation as directed by the lead state commissioner. The calculation report is to be completed in accordance with the NAIC Group Capital Calculation Instructions, which may allow a controlling person who is not the ultimate controlling person to file such report, and according to the procedures within the financial analysis handbook. The report is to be filed with the lead state commissioner of the insurance holding company system as determined by the Commissioner in accordance with the procedures within the financial analysis handbook.

The bill provides exemptions for an insurer holding company system from filling the group capital calculations if certain requirements are met.

The bill grants a lead state commissioner discretion in determining whether to require, exempt, or extend the filing of a group capital calculation report or to accept a limited group capital calculation report under certain conditions.

Liquidity stress test. The bill requires the ultimate controlling person of every insurer subject to registration and also scoped into the NAIC Liquidity Stress Test Framework to file the results of a specific year's liquidity stress test. The filing is to be made to the lead state insurance commissioner of the insurance holding company system as determined by procedures within the financial analysis handbook. The NAIC Liquidity Stress Test Framework includes scope criteria applicable to a specific data year. The bill provides for the frequency of the scope criteria review, the effective date of any changes to the NAIC Liquidity Stress Test Framework, and the criteria for scoping an insurer in or out of the NAIC Liquidity Stress Test Framework.

The bill requires that the performance and filing of the results of a specific year's liquidity stress test comply with the NAIC Liquidity Stress Test Framework instructions and reporting template for that year and any lead state insurance commissioner determinations, in consultation with the NAIC Financial Stability Task Force.

Deposit or bond requirement for insurer in hazardous financial condition. If an insurer subject to the Insurance Holding Company Act is deemed by the Commissioner to be in a hazardous financial condition or a condition that is grounds for supervision, conservation, or a delinquency proceeding, the bill authorizes the Commissioner to require the insurer to secure and maintain either a deposit, held by the Commissioner, or a bond, as determined by the insurer at the insurer's discretion. Such bond or deposit is for the protection of the insurer for the duration of the contract or agreement or the existence of the condition for which the Commissioner requires the deposit or bond.

The bill provides criteria for the Commissioner to consider in determining whether a deposit or bond will be required. The Commissioner has discretion in determining the amount of the deposit or bond, not to exceed the value of the contract or agreement in any one year, and whether such deposit or bond is required for a single contract, multiple contracts, or a contract only with a specific person.

Records and data held by an affiliate. The bill maintains that all records and data of the insurer held by an affiliate, in whatever form maintained, are and remain the property of the insurer, are subject to control of the insurer, are identifiable, and are segregated or readily capable of segregation at no additional cost to the insurer. The bill provides a non-exhaustive list of the types of records and data within the possession, custody, or control of the affiliate that remain the property of the insurer. The bill also provides that premiums or other funds belonging to the insurer that are collected or held by an affiliate are deemed the exclusive property of and subject to the control of the insurer.

Examination of financial condition by the Commissioner. The bill authorizes the Commissioner to examine any registered insurer and the insurer's affiliate to ascertain the financial condition of such insurer, including the enterprise risk to the insurer by the ultimate controlling party or by any entity or combination of entities within the insurance holding company system or by the insurance holding company system on a consolidated basis.

Confidentiality of data and records. Continuing law provides that certain documents obtained by or disclosed to the Commissioner are not subject to the legislative review of exceptions to disclosure under the Kansas Open Records Act.

The bill requires the Commissioner to maintain the confidentiality of information reported or provided to the Commissioner, including the:

- Group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the Federal Reserve Board or any U.S. group-wide supervisor; and

- Liquidity stress test results and supporting disclosures and any liquidity stress test information received from an insurance holding company supervised by the Federal Reserve Board and non-U.S. group-wide supervisors.

The bill adds that the written agreements the Commissioner is required to enter into with the NAIC governing the sharing and use of information pursuant to the Insurance Holding Company Act are required to:

- Exclude documents, materials, or information reported by insurance holding companies as part of the registration process;

- Prohibit the NAIC and its affiliates and subsidiaries from storing the information shared pursuant to the Insurance Holding Company Act in a permanent database after the underlying analysis is completed; and

- Provide for notification of the identity of the third-party consultant to the applicable insurers for documents, materials, or information reported by insurance holding companies as part of the registration process, in the case of an agreement involving a third-party consultant.

The bill deems the group capital calculation and resulting group capital ratio and the liquidity stress test with its results and supporting disclosures, as regulatory tools for assessing group risks, capital adequacy, and group liquidity risks. The bill prohibits construing such documents as a means to rank insurers or insurance holding company systems.

Unless otherwise required under the Act, the bill provides that the following actions regarding a representation or statement of the group capital calculation, group capital ratio, the liquidity stress test results, or supporting disclosures of an insurer or insurer group, or of any component derived in the calculation by an insurer, broker, or other person engaged in the insurance business may be misleading and thereby prohibited:

- Making, publishing, disseminating, circulating, placing before the public, or directly or indirectly causing such actions through any of the following means of communication:
  - A newspaper, magazine, or other publication;
  - A notice, circular, pamphlet, letter, or poster;
  - Radio or television broadcast or by any electronic means of communication available to the public; or
  - In any other way as an advertisement, announcement, or statement.

The bill authorizes an insurer to publish announcements in a written publication for the sole purpose of rebutting a materially false statement if the insurer is able to demonstrate to the Commissioner with substantial proof of the falsity or inappropriateness of a materially false statement published in any written publication regarding the:

- Group capital calculation or resulting group capital ratio;

- Liquidity stress test result or supporting disclosures for such test; or

- Inappropriate comparison of any amount to an insurer's or insurance group's group capital calculation, resulting group capital ratio, or liquidity stress test result or supporting disclosures.

Health Benefit Plan Definition in the Patient Protection Act

The bill excludes the following from the definition of "health benefit plan" in the Patient Protection Act:

- A self-funded health plan established or maintained for its employees by the State or subdivision of the State, a school district, or any public authority, or by a county or city government or any political subdivision, agency, or instrumentality thereof; and

- A self-funded health plan established or maintained for its employees by a church or by a convention or association of churches that is exempt from tax under Section 501 of the federal Internal Revenue Code.

Statutes Repealed

In addition to the statutes repealed as a result of amendments made by the bill, the bill also repeals the following statutes in the Insurance Code:

- KSA 40-249, pertaining to the expiration of the corporate powers or an insurance company organized under Kansas law for failure to issue policies within two years from the granting of its charter; and

- KSA 40-2c29, authorizing the Commissioner to adopt by rules and regulations any later versions of the RBC instructions promulgated by the NAIC.

Actions on Licensure of Public Adjusters and Insurance Agents

The bill amends the Uniform Insurance Agents Licensing Act and the Public Adjusters Licensing Act to provide the Commissioner with the authority to consult the status of certain licenses or registrations in reviewing applications or renewals for insurance agents and public adjusters.

The bill adds Commissioner authority to suspend, revoke, or refuse to issue or renew a public adjuster's license for failing to respond to an inquiry from the Commissioner within 15 business days.

Additionally, the bill establishes criteria for the Commissioner to review when considering whether to deny, suspend, revoke, or refuse to renew the application for a public adjuster's license of an individual who has been convicted of a misdemeanor or felony.

Review of Licenses and Registrations

The bill authorizes the Commissioner to evaluate the status of public adjuster's licenses and securities registrations when reviewing insurance agent licenses or applications for insurance agent licenses. Similarly, the bill authorizes the Commissioner to evaluate the status

of public adjuster's licenses and securities registrations when reviewing public adjuster's licenses or applications for public adjuster's licenses.

The bill adds Commissioner authority to suspend, revoke, or refuse to issue or renew a public adjuster's license for failing to respond to an inquiry from the Commissioner within 15 business days.

Criteria for Review for Public Adjuster License Applicants Convicted of a Misdemeanor or Felony

The bill establishes criteria for the Commissioner to review when considering whether to deny, suspend, revoke, or refuse to renew the application for a public adjuster license of an individual who has been convicted of a misdemeanor or felony:

- Applicant's age at the time of conduct;
- Recency of the conduct;
- Reliability of the information concerning the conduct;
- Seriousness of the conduct;
- Factors underlying the conduct;
- Cumulative effect of the conduct or the information;
- Evidence of rehabilitation;
- Applicant's social contributions since the conduct;
- Applicant's candor in the application process; and
- Materiality of any omissions or misrepresentations.

The bill requires the Commissioner to consider the following when determining whether to reinstate or grant to an applicant a public adjuster's license that has been revoked:

- Present moral fitness of the applicant;
- Demonstrated consciousness by the applicant of the wrongful conduct and disrepute that the conduct has brought to the insurance profession;
- Extent of the applicant's rehabilitation;
- Seriousness of the original conduct;
- Applicant's conduct subsequent to discipline;
- Amount of time that has elapsed since the original discipline;
- Applicant's character, maturity, and experience at the time of revocation; and
- Applicant's present competence and skills in the insurance industry.

[*Note:* These criteria are the same as in law for the Commissioner's review of insurance agent licensure or application for licensure (KSA 40-4909).]

The bill states that any action taken as a result of such review that affects any license or imposes any administrative penalty requires prior notice and an opportunity for a hearing conducted in accordance with the Kansas Administrative Procedure Act.

The bill specifies that any costs incurred as a result of conducting an administrative hearing are assessed against the person who is the subject of the hearing or any business entity represented by such person who is the party to the matters giving rise to the hearing. "Costs" means witness fees, mileage allowances, any costs associated with the reproduction of documents that become a part of the hearing record, and the expense of making a record of the hearing.

Suspensions, Revocations, and Reapplication for Public Adjuster Licensure

Under the bill, no person whose license as a public adjuster has been suspended or revoked can be employed by any insurance company doing business in the state either directly, indirectly, as an independent contractor, or otherwise to negotiate or effect contracts of insurance, suretyship, or indemnity or perform any act toward the solicitation or transaction of any business of insurance during the period of suspension or revocation.

An applicant to whom a public adjuster license is denied after a hearing is prohibited from applying again for a public adjuster license until after a period of one year from the date of the Commissioner's order. A public adjuster licensee whose license is revoked cannot apply again for a public adjuster license for two years after the Commissioner's order.

[*Note:* These terms are the same as in law for insurance agent licensure (KSA 40-4909).]

Captive Insurance Act and Protected Cell Captive Insurance Company Act

The bill establishes the Protected Cell Captive Insurance Company Act and amends the Captive Insurance Act.

Protected Cell Captive Insurance Company Formation

The Protected Cell Captive Insurance Company Act (Protected Cell Captive Act) permits one or more sponsors to form a protected cell captive insurance company (company). A company is incorporated as a stock insurer with the capital divided into shares and held by stockholders as either a mutual corporation, a non-profit corporation with one or more members, or as a limited liability company (LLC).

Definitions

The Protected Cell Captive Act defines various terms, including the following:

- "Protected cell" means a separate account that is established by a company formed or licensed pursuant to the Act and in which an identified pool of assets and liabilities are segregated and insulated by means of the Act from the remainder of the company's assets and liabilities in accordance with the terms of one or more participant contracts to fund the liability of the company with respect to the participants as set forth in the participant contracts;

- "Protected cell captive insurance company" means any captive insurance company:
  - In which the minimum capital and surplus required by the chapter are provided by one or more sponsors;
  - Is formed or licensed under the Protected Cell Captive Act;
  - Insures the risks of separate participants through participant contracts; and
  - Funds its liability to each participant through one or more protected cells and segregates the assets of each protected cell from the assets of other protected cells and from the assets of the company's general account; and

- "Sponsor" means any person or entity that is approved by the Commissioner to provide all or part of the capital and surplus required by the Protected Cell Captive Act and organize and operate a company.

Application Process

The bill lists the materials that must be filed with the Commissioner to apply to become a company, which include the following:

- Materials that demonstrate how the applicant will account for loss and expense experience at a level of detail found to be sufficient by the Commissioner, and how it will report this experience;

- A statement acknowledging that financial records of the applicant, including records pertaining to any protected cells, will be made available for inspection or examination by the Commissioner or their designated agent;

- All contracts or sample contracts between the applicant and any participants; and

- Evidence that expenses will be allocated to each protected cell in a fair and equitable manner.

Establishment and Maintenance of Protected Cells

The Protected Cell Captive Act states that a company formed or licensed pursuant to the Act may establish and maintain one or more incorporated or unincorporated protected cells to insure risks of one or more participants with the following conditions:

- A company may establish one or more protected cells if the Commissioner has approved in writing a plan of operation (plan) or amendments to a plan submitted by the company with respect to each protected cell. A plan includes, but is not limited to, the specific business objectives and investment guidelines of the protected cell, except that the Commissioner may require additional information in the plan. The Commissioner may put into effect a plan or amendments to a plan on or before the date that the approval is signed if the effective date is not earlier than the date that the plan or amendments to the plan were filed with the Kansas Department of Insurance (Department);

- Upon the Commissioner's written approval of the plan, the company, in accordance with the approved plan, may attribute insurance obligations with respect to its insurance business to the protected cell;

- A protected cell has its own distinct name or designation that includes the words "protected cell" or "incorporated cell." An incorporated cell formed as a series of an LLC bears a distinct name or designation as reflected in its formation documents and includes the words "series cell." Such names or designations may also be reasonably abbreviated;

- A company transfers all assets attributable to a protected cell to one or more separately established and identified named accounts for the protected cell. Protected cell assets are held in the named accounts for the purpose of satisfying the obligations of such protected cell;

- An incorporated protected cell may be organized and operated in any form of business organization authorized by the Commissioner, including, but not limited to, an individual series of an LLC as permitted under the Kansas Revised Limited Liability Company Act. Each incorporated protected cell of a protected cell captive insurer (insurer) is treated as a captive insurer under the Protected Cell Captive Act and has the power to enter into contracts, including an individual series of an LLC. Unless otherwise permitted by the organizational documents of a insurer, each incorporated protected cell of the insurer has the same directors, secretary, and registered office as the protected cell captive insurer; and

- All attributions of assets and liabilities between a protected cell and the general account are in accordance with the plan and participant contracts approved by the Commissioner. No other attribution of assets or liabilities are made by a company between the company's general account and its protected cells. Any attribution of assets and liabilities between the general account and a protected cell are required to be in cash or in readily marketable securities with established market values.

The Protected Cell Captive Act does not create a legal person separate from a company unless the protected cell is an incorporated cell. The assets are owned by the protected cell. A company cannot represent itself as a trustee regarding the assets of a protected cell. A company may allow for a security interest to attach to the assets of account when in favor of a creditor of a protected cell and otherwise allowed under applicable laws.

Investment management. The Protected Cell Captive Act permits a company to contract with or arrange for an investment advisor, commodity trading advisor, or other third party to manage the protected cell's assets when all remuneration, expenses, and other compensation are paid from the assets of the protected cell only.

Administrative and accounting procedure requirements. The Protected Cell Captive Act requires that the company have administrative and accounting procedures in place that properly identify each protected cell's assets and liabilities while keeping them separate and separately identifiable from the company's general accounts and attributable to one protected cell that is also separately identifiable from any other protected cell's assets and liabilities. The Protected Cell Captive Act requires that the remedy of tracing be available in the event of a violation of this provision, but tracing is not the exclusive remedy.

When establishing a protected cell, the Protected Cell Captive Act requires a company to attribute to the protected cell assets a value that is at least equal to the reserves and other insurance liabilities attributed to the protected cell. Each protected cell is accounted for separately in the records of the company to reflect the financial condition and results of operations of the protected cell, net income or loss, dividends or other distributions to participants, and other factors as may be provided in the participant contract or required by the Commissioner.

No asset of a protected cell may be chargeable with liabilities arising from other insurance business that the company may conduct. Additionally, no sale, exchange, or transfer of assets may occur between or among protected cells without the consent of affected protected cells.

The Commissioner is required to approve the sale, exchange, transfer of assets, dividend, or distribution from one protected cell to another company or participant. The Commissioner is prohibited from any approval if it results in an insolvency or impairment of a protected cell.

Combining cell assets. The Protected Cell Captive Act allows the combination of the assets of two or more protected cells for the purposes of investment, and such combination is not to be construed as defeating the segregation of such assets for accounting or other purposes.

The Commissioner is allowed to approve the use of alternative reliable methods of valuation and rating.

Attributions of assets and liabilities. The Protected Cell Captive Act requires that all attributions of assets and liabilities to the protected cells and the general account be in accordance with the plan approved by the Commissioner, including the performance under a reinsurance contract.

The Protected Cell Captive Act clarifies no other attribution of assets or liabilities is to be made by a company between its general account and any protected cell or between any protected cells.

Reinsurance contract. The Protected Cell Captive Act requires all companies attribute all insurance obligations, assets, and liabilities relating to a reinsurance contract entered into with respect to a protected cell to such protected cell. The bill provides the performance under such reinsurance contract and any tax benefits, losses, refunds, or credits allocated pursuant to a tax allocation agreement to which the company is a party, including any payments made by or due to be made to the company pursuant to the terms of such agreement, must reflect the insurance obligations, assets, and liabilities relating to the reinsurance contract that are attributed to such protected cell.

Conservation, rehabilitation, and liquidation of a company. The bill provides that in connection with conservation, rehabilitation, and liquidation of a company, the assets and liabilities of a protected cell are, to the extent that the Commissioner determines that such assets and liabilities are separable, at all times kept separate from and not commingled with those of other protected cells and the company.

Annual reporting. The Protected Cell Captive Act requires annual filings with the Commissioner of such financial reports as required by the Commissioner. Reports must include accounting statements detailing the financial experience of each protected cell.

Insolvency notice. The Protected Cell Captive Act requires written notification to the Commissioner of any protected cell's insolvency within ten business days of such insolvency or inability to meet its claim or expense obligations.

Changes within a protected cell. The Protected Cell Captive Act requires the Commissioner to approve each participant contract in writing prior to the contract taking effect. The Protected Cell Captive Act also requires that the addition of each new protected cell as well as the withdrawal or termination of an existing protected cell is considered a change in the plan and requires the Commissioner's written approval before the change may occur.

Business written by a company. The Protected Cell Captive Act allows each company for each protected cell to write business that meets the following conditions:

- Fronted by an insurance company licensed under the laws of any state;
- Reinsured by a reinsurer authorized or approved by the Department; or
- Secured by a trust fund in the United Sates for the benefit of policyholders and claimants or funded by an irrevocable letter of credit or other arrangement that is acceptable to the Commissioner. The amount of security provided cannot be less than the reserves associated with those liabilities that are neither fronted nor reinsured, including reserves for losses, allocated loss adjustment expenses, incurred but not reported losses, and unearned premiums for business written through the participant's protected cell. The Commissioner may require the company to increase the funding of any security arrangement established under this subsection. If the form of security is a letter of credit, the letter of credit is to

be issued or confirmed by a bank approved by the Commissioner. A trust maintained pursuant to this subsection is to be established in a form and upon such terms approved by the Commissioner.

Separation of protected cells due to a company's insolvency. The Protected Cell Captive Act provides a methodology for the Commissioner to separate solvent protected cells from a insolvent company pursuant to an acceptable plan of operation.

Unincorporated and incorporated protected cells. The Protected Cell Captive Act permits the companies formed or licensed under such Act to establish and operate both incorporated and unincorporated protected cells. The Protected Cell Captive Act requires biographical affidavits for owners of incorporated cells, including series members of a series LLC. Biographical affidavits are not required for participants in unincorporated cells.

Participants in a Company

The Protected Cell Captive Act allows a sponsor to be a participant in a company as well as associations, corporations, LLCs, partnerships, trusts, and other business entities.

A participant is not required to be a shareholder of a company. A participant must only be able to insure the participant's own risks through a company unless otherwise approved by the Commissioner.

Application of Insurers Supervision, Rehabilitation, and Liquidation Act

The Protected Cell Captive Act clarifies that the Insurers Supervision, Rehabilitation and Liquidation Act is applicable to a company. Upon any order of supervision, rehabilitation, or liquidation of a company, the bill states the receiver manages the assets and liabilities of the company.

Notwithstanding the provisions of the Insurers Supervision, Rehabilitation and Liquidation Act, the bill requires that:

- No assets of a protected cell may be used to pay any expenses or claims other than those attributable to the protected cell; and

- A company's capital and surplus be available at all times to pay any expenses of or claims against the company.

Legal Action

The Protected Cell Captive Act requires pleadings in any legal action brought by or against a company to specify the protected cell or cells to be named as a party to the suit. If the general account is party to the suit, it must be separately identified in the pleadings as if it were a protected cell. A legal action brought against a company that does not specify one or more protected cells is deemed to be brought against the general account only. A protected cell that is

not named in the pleadings is not party to the legal action, and a protected cell named erroneously or without proper cause is entitled to prompt dismissal.

Unless specified by the plan, participant contract, or other prior contractual agreement, the assets of one protected cell may not be encumbered or seized to satisfy the obligations of or a judgment against any other protected cell. No protected cell is required to defend the rights and obligations of another protected cell.

In any legal action involving a company or a protected cell, any papers, documents, or property of a non-party protected cell is afforded the same status during discovery as those of an unrelated third party. A non-party protected cell has standing to appear and petition for any appropriate relief to protect the confidentiality of its papers or documents.

Captive Insurance Company Conversion

The Protected Cell Captive Act provides a procedure for a company or a protected cell of a company to be converted to any form of captive insurance company that is allowed in Kansas Insurance Law with consent of the Commissioner. The Commissioner may issue to the converting protected cell a certificate of authority with an effective date of its original date of formation as a protected cell.

The bill establishes the following criteria for determining the filing or submission requirements for certain companies:

- A series of an LLC files organizational documents with the Secretary of State that comply with Kansas law and include the date of formation as a series. Any new entity possesses all assets and liabilities, including outstanding insurance liabilities, owned by the predecessor;

- Any other type of incorporated protected cell entity files amended organizational documents with the Secretary of State that comply with Kansas law; or

- Other entities file organizational documents with the Secretary of State that comply with Kansas law or any other applicable provision governing formation of that type of entity, including the date of formation as a cell. The new entity possesses all assets and liabilities, including outstanding insurance liabilities, owned by the predecessor cell.

Revised certificate of authority. The Protected Cell Captive Act permits a captive insurance company to apply to the Commissioner for conversion to become a protected cell captive insurance company. Upon approval by the Commissioner and the filing of amended organizational documents with the Secretary of State, the captive insurance company is issued a revised certificate of authority. The effective date of the revised certificate of authority remains the same as the effective date of the prior captive insurance company.

Redomestication of Captive Insurance Companies

The bill provides for a foreign or alien insurer to become a domestic company by complying with all of the requirements of the bill relating to the organization and licensing of a domestic company of the same type with the approval of the Commissioner. A company redomesticating to Kansas may be organized under any lawful corporate form permitted by the bill.

For insurance companies domiciled in foreign or alien jurisdictions that allow for the redomestication of insurance companies, the bill authorizes redomestication to Kansas and states that the company is no longer a domestic legal entity of foreign or alien jurisdiction. A company wishing to redomesticate is required to file organizational documents with the Secretary of State that comply with state law regarding corporations, the Captive Insurance Act (CI Act), and the Kansas Uniform Partnership Act, or any other applicable provision.

The company is required to file a copy of the Secretary of State's acknowledgment letter with the Commissioner, who then is required to issue a certificate of authority, pursuant to the CI Act.

Upon the completion of a redomestication, the captive insurance company is considered to be domiciled in this state and subject to Kansas law. The captive insurance company is deemed to have a formation date corresponding to its original formation date in the foreign or alien domicile.

For the purposes of the financial examination required by the CI Act, any examination conducted by the foreign or alien domicile substantially similar to an examination completed for companies domiciled in Kansas is recognized for the purposes of establishing a period of time when the next examination is due.

Amendments to the Captive Insurance Act

The bill also amends the CI Act. The CI Act permits a captive insurance company (CIC) to continue to apply to the Commissioner for a certificate of authority but clarifies exceptions as follows:

- A pure CIC may not insure any risks other than those of its parent and affiliated companies, any controlled unaffiliated business, or combination thereof; and

- A CIC may provide workers' compensation insurance, insurance in the nature of workers' compensation insurance, and the reinsurance of such policies unless prohibited by federal law, the Kansas Insurance Law, or any other state having jurisdiction over the transaction.

The bill also adds the following exceptions:

- A CIC may provide excess or stop-loss accident and health insurance unless prohibited by federal law or the laws of the State of Kansas having jurisdiction over the transaction; and

- Any CIC may provide workers' compensation insurance, insurance in the nature of workers' compensation insurance, and reinsurance of such policies unless prohibited by federal law, the laws of the State of Kansas, or any other state having jurisdiction over the transaction.

Provisional certificate of authority. The bill amends the CI Act to permit the Commissioner to issue a provisional certificate of authority to any applicant CIC if the Commissioner deems that the public interest will be served by the issuance of the provisional certificate.

Before the provisional certificate is issued, the applicant is required to file a completed application and pay all necessary fees. The Commissioner is required to make a preliminary finding of acceptability regarding the expertise, experience, and character of the person who will control and manage the applicant captive.

The Commissioner may place limits of authority on any provisional certificate holder as well as revoke a provisional certificate if the interests of the insureds or the public are endangered. If the applicant fails to complete the regular application for a certificate of authority, the provisional certificate terminates by operation of law.

The Commissioner has the authority to enact any necessary rules and regulations for a program regarding the issuance of provisional certificates of authority.

Application and renewal fees. Each CIC pays a non-refundable fee of up to $2,500 to the Commissioner for each application and an annual renewal fee of up to $2,500, payable to the Commissioner.

Unimpaired paid-in capital and surplus requirements. The bill amends the CI Act to reflect the following unimpaired paid-in capital and surplus requirements of not less than:

- $250,000 for a pure CIC;
- $500,000 for an association CIC incorporated as a stock insurer; and
- $100,000 for a protected cell CIC.

Frequency of examinations. Continuing law requires the Commissioner to make or direct to be made a financial examination of any CIC in the process of organization or applying for admission or doing business in Kansas. The bill amends the frequency of the examination from at least every three years to every five years.

Requirement to join a policy form organization. The bill amends the CI Act to clarify that a CIC is required to join a policy form organization.

Premium tax for redomesticated companies and one-year exemption. The bill provides for a company redomesticating under the CI Act to only be liable for taxes paid on direct premiums and assumed reinsurance premiums paid to the company after redomestication. If a company redomesticated under the CI Act after July 1 of any year, the company is only subject to 50 percent of the minimum premium tax.

Any redomesticated foreign or alien company is required to report all premium taxes due, but may, either in its first or second year of operations after redomesticating into Kansas, elect to forgo the payment of premium taxes. A company choosing to forgo payment of premium taxes that surrenders its certificate of authority or redomesticates to another jurisdiction within five years of redomestication in Kansas is required to immediately pay an amount equal to the forgone premium tax plus 10 percent per annum from the date of the forgone premium.

Taxation of CIC. The bill clarifies that the tax provided for in the CI Act constitutes all taxes collectible under the laws of Kansas from any CIC, and no other occupation tax or any other tax is to be levied or collected from any CIC by the state or any political subdivision.

Classification and Filing of Travel Insurance Coverage

The bill amends law to allow travel insurance coverage for sickness, accident, disability, or death occurring during travel as either a separate policy or along with related coverages of emergency evacuation or repatriation of remains, to be classified and filed under either an accident and health or inland marine line of insurance.

Insurance Company Premium Tax Rates; Preservation of Documents

The bill reduces insurance company premium tax rates from 2.0 percent to 1.98 percent per year for tax year 2026 and subsequent years. Beginning January 1, 2026, the bill removes the requirement that the 1.0 percent of insurance company premium taxes received by the Commissioner be transferred to the State Treasurer to the credit of the Insurance Department Service Regulation Fund.

The bill requires that all reports and returns required by the Insurance Code, and rules and regulations adopted pursuant to the Insurance Code, be preserved for a minimum of three years or until the Commissioner orders such documents destroyed.

Entities Eligible for Reduced Premium Tax Rates

The premium tax rate reduction applies to the following entities organized under Kansas law or the laws of any other state, territory, or country:

- Capital stock insurance companies;
- Mutual legal reserve life insurance companies;
- Mutual life, accident, and health associations;
- Mutual fire, hail, casualty, and multiple line insurers [*Note:* Hail is not included in this line of insurers for entities organized under the laws of any other state, territory, or country.];
- Reciprocal or interinsurance exchanges;

- Mutual non-profit hospital service corporations;
- Non-profit medical service corporations;
- Non-profit dental service corporations;
- Non-profit optometric service corporations; and
- Non-profit pharmacy service corporations.

JUDICIARY

Third-party Litigation Funding Agreements; Sub. for SB 54

Sub. for SB 54 amends the Kansas Code of Civil Procedure to require the disclosure of third-party litigation funding agreements (TPLF agreements or agreements).

Third-party Litigation Funding Agreements

The bill defines the term "third-party litigation funding agreement" as an agreement under which any person, other than a party, an attorney representing the party, such attorney's firm, or a member of the family or household of a party, has:

- Agreed to pay expenses directly related to prosecuting the legal claim; and
- Has a contractual right to receive compensation that is contingent in any respect on the outcome of the claim.

The bill specifies the term does not include an agreement that does not afford the non-party agreeing to pay legal expenses any profit from the legal claim beyond repayment of the amount the non-party has contractually agreed to provide, plus reasonable interest, limited by the bill to an amount not greater than 11.1 percent of the principal.

Disclosure

The bill requires a party to provide the TPLF agreement to the court for an *in camera* review, and unless otherwise stipulated by the parties or ordered by the court, deliver a sworn statement disclosing certain facts related to the agreement within 30 days after commencement of legal action or 30 days after the execution of the agreement, whichever is later. [*Note:* "*In camera*" is a legal term that means in private.]

Facts required to be disclosed by the bill include:

- The identity of all contracting parties to the agreement;

- Whether the agreement grants a third-party funder control or approval rights with respect to litigation or settlement decisions or otherwise has the potential to create conflicts of interest between the third-party funder and the party;

- Whether the agreement grants a third-party funder the right to receive materials designated as confidential in the action;

- The existence of any known relationship between a third-party funder and the adverse party, adverse party's counsel, or the court;

- A description of the nature of the financial interest, including whether such interest is in whole or in part recourse or non-recourse; and

- Whether any foreign person from a foreign county of concern, as defined by the bill, is providing funding, directly or indirectly, for the agreement, and if so, the name, address, and country of incorporation or registration of the foreign person.

Limitations on Discovery of Third-party Litigation Funding Agreements

The bill provides the following limitations on the discovery of TPLF agreements:

- Disclosed information concerning an agreement shall not be admissible as evidence at trial solely because it was disclosed;

- A non-profit corporation or association shall not be required to disclose its members or donors in order to comply with the provisions of the bill; and

- Nothing in the bill may be construed to modify the applicability of the Kansas Rules of Civil Procedure or Kansas Rules of Evidence, except as provided in provisions related to the disclosure of agreements.

Definitions

The bill defines the term "foreign country of concern" as any foreign adversary as defined by the U.S. Secretary of Commerce as in effect on July 1, 2025, and any organization that is designated as a foreign terrorist organization as of July 1, 2025, by the U.S. Secretary of State.

The bill defines the term "foreign person" as:

- An individual who is not a U.S. citizen or an alien lawfully admitted for permanent residence in the United States;

- An unincorporated association where the majority of the members are not U.S. citizens or aliens lawfully admitted for permanent residence in the United States;

- A corporation that is not incorporated in the United States;

- A government, political subdivision, or political party of a country other than the United States;

- An entity that is organized under the laws of a country other than the United States and has shares or other ownership interest held by a government or government official from a country other than the United States; or

- An organization in which any person or entity as described above holds a controlling or majority interest, or in which the holdings of any such persons or entities shall constitute a controlling or majority interest.

Severability

The bill's provisions related to TPLF disclosure are severable, ensuring any court decision holding these provisions invalid or unconstitutional will not affect the validity and enforceability of provisions that may be given effect notwithstanding the invalidity.

Precedence of Child-related Orders in Protection from Abuse Act; SB 135

SB 135 makes technical amendments to law concerning orders issued under the Protection from Abuse Act (PFAA) by reorganizing certain sections to clarify how a protection order may be affected when a child-related order is issued pursuant to another legal action.

The bill replaces language referencing orders issued pursuant to various specified chapters and articles of the *Kansas Statutes Annotated* with "order issued in any action." [*Note:* The bill does not make any substantive change to the order of precedence currently applied by Kansas courts.]

LOCAL GOVERNMENT

Fast-Track Permits Act; HB 2088

HB 2088 creates the Fast-Track Permits Act (Act) for single-family residential developments with the stated purpose of enhancing economic growth in local communities and streamlining the building permit review process.

Review Period

The bill requires a local government or local governmental authority (authority) to approve or deny a building permit for improvement of single-family residential property within its jurisdiction within 60 days of receiving a completed application. If the authority fails to provide written notice of an application's approval or denial, the application is deemed approved by the authority. The 60-day review provision does not apply if an applicant agrees in writing to proceed with phased permitting.

The bill requires the Secretary of Health and Environment to issue an authorization, waiver, or denial within 45 days of receiving from the applicant a notice of intent to:

- Discharge stormwater runoff from construction activities;
- Request authorization to discharge stormwater runoff from construction activities under the federal National Pollutant Discharge Elimination System general permit; or
- Apply for a rainfall erosivity waiver.

Application Determinations

When approving an application, an authority shall not require any conditions or requirements pursuant to a rule, resolution, ordinance, or policy of the authority that is adopted or amended after the complete application was submitted to the authority.

The authority is required to state the reasons for a denial in the written notice of denial. The authority is prohibited from denying an application on the basis of a rule, resolution, ordinance, or policy of the authority that is adopted or amended after the complete application was submitted to the authority.

Incomplete Applications

If an application does not contain all information and meet requirements pursuant to an authority's rule, resolution, ordinance, or policy adopted prior to the application's submission, or applicable state or federal law, the authority must provide written notice to the applicant within 15 days of receiving the application stating the application is incomplete and provide an opportunity for the applicant to cure any deficiency.

An incomplete application is not considered received by the authority until the application is complete unless the authority fails to provide written notice within 15 days of receiving an incomplete application. If the authority fails to notify of an incomplete application within 15 days, then the 60-day period starts upon receipt of the incomplete application.

Submission and Signatures

The bill considers a local authority's written notice and the application submission dates to be the date when the:

- Notice is deposited in the U.S. mail by the authority addressed to the address provided by the applicant and proof of the date of mailing is obtained;
- Application is received in the U.S. mail by the authority;
- Notice or application is written in the body of, or in an attachment to, an email sent to the email address provided by the applicant or authority. If possible, the email shall be sent with a request for a delivery receipt confirming that the email was delivered to the recipient's email server;
- Notice or application is faxed to the facsimile number provided by the applicant or authority; or
- Notice or application is submitted to a private carrier for delivery addressed to the address provided by the applicant or the authority and proof of the date of submission to such carrier is obtained.

The bill includes weekends, but not federal or state holidays, for purposes of determining deadlines.

The bill would allow required signatures to be electronic.

Superseding Conflicting Law

The bill does not supersede any rule, resolution, ordinance, or policy of a municipality, city, county, or other political subdivision of Kansas that provides for a shorter period of time for the authority to issue decisions upon applications or give notice of incomplete applications.

Official Acts of a Sheriff; HB 2155

HB 2155 specifies that sheriffs have liability for official acts of the sheriff and sheriff's sureties related to the charge and custody of county jails.

The bill takes effect upon publication in the *Kansas Register.*

Kansas Municipal Whistleblower Act; HB 2160

HB 2160 establishes the Kansas Municipal Employee Whistleblower Act (Act) to provide legal protections for municipal employees who report conduct that is dangerous or unlawful.

Kansas Municipal Employee Whistleblower Act

The Act prohibits any supervisor or appointing authority of a municipality from prohibiting any of the following or taking disciplinary action against an employee for:

- Discussing municipality operations or other matters of public concern, including public health, safety, or welfare, with any member of the governing body of such municipality or an auditing agency;

- Reporting a violation of state or federal law, municipal resolution, or adopted rules and regulations, resolution, or ordinance;

- Failing to give notice of a report filed to the supervisor or appointing authority prior to the report being filed; or

- Disclosing malfeasance or other misappropriation of moneys held by a municipality.

The Act shall not be construed to:

- Prohibit a supervisor or appointing authority from requiring an employee to inform authorities about a governing body or auditing requests for information submitted to the municipality or made, or to be made, by an employee to the members of the governing body or an auditing agency on behalf of the agency;

- Allow an employee to leave assigned work areas during normal work hours without following applicable rules and regulations and policies pertaining to employee leave unless requested by a member of the governing body of the municipality or an auditing agency;

- Authorize an employee to represent an employee's personal opinions as those of the municipality; or

- Prohibit disciplinary action of an employee who discloses information that:

    - The employee knows to be false or is disclosed with reckless regard for the truth or falsity of such information;
    - The employee knows to be exempt from required disclosure under the Kansas Open Records Act;
    - Is confidential or privileged under state law, federal law, or court rule; or
    - Is disclosed due to a corrupt motive rather than a good faith concern for a wrongful activity.

The Act states that any disciplinary action that is alleged to have taken place may be brought to a court of competent jurisdiction within 90 days after the occurrence of the alleged violation, except by officers or employees eligible to administratively appeal disciplinary actions pursuant to the Act. The bill states an officer or employee may bring action seeking damages and any other relief the court deems necessary. The court may award the prevailing party all or a portion of the costs of the action, including reasonable attorney fees and witness fees.

In any municipality that creates an administrative process to adjudicate disciplinary actions against employees of the municipality, the Act authorizes any officer or employee of the municipality who is eligible to appeal disciplinary actions to do so, within 90 days after the alleged disciplinary action, whenever the officer or employee alleges that disciplinary action was taken in violation of the Act. If the adjudicatory body finds the disciplinary action taken to be unreasonable, the bill would direct that adjudicative body to modify or reverse the municipality's action and order appropriate relief. The Act authorizes any party to appeal a decision of the adjudicative body under the Kansas Judicial Review Act.

Each municipality is required to post a copy of the Act in locations where it may come to the attention of all employees.

Definitions

The bill defines the following terms:

- "Auditing agency" to mean:
  - The Legislative Post Auditor;
  - Any employee of the Legislative Division of Post Audit;
  - Any firm performing audit services pursuant to a contract with the Legislative Post Auditor;
  - Any state or federal agency or authority performing auditing or other oversight activities under authority of any provision of law authorizing such activities; or
  - The Inspector General per KSA 75-7427;
- "Disciplinary action" to mean any dismissal, demotion, transfer, reassignment, suspension, reprimand, warning of possible dismissal, or withholding of work;
- "Malfeasance" to mean unlawful conduct committed by any member of the governing body of a municipality or any officer or other employee thereof;
- "Misappropriation" to mean unauthorized or unlawful expenditure or transfer of moneys held by a municipality; and
- "Municipality" to mean any county, city, or unified school district, or any office, department, division, board, commission, bureau, agency, or unit thereof.

Open Meetings Requirement for Political Subdivisions Before Approving a Contingent Fee Contract for Legal Services; Senate Sub. for HB 2228

Senate Sub. for HB 2228 requires any political subdivision (subdivision), as defined in continuing law, to hold an open meeting before approving a contingent fee contract for legal services, and requires such contract to be approved by the Attorney General (AG) before becoming effective. The bill's provisions expire on July 1, 2029.

Open Meeting Notice

The bill requires the governing body of the subdivision to provide notice of an open meeting called for the purpose of considering a contingency fee contract for legal services. The notice could be provided in the subdivision's meeting agenda, and must include:

- Reasons for pursuing the legal matter and desired outcome;
- Qualifications, experience, and competence of the attorney or law firm selected or being considered;
- Nature of any relationship between the subdivision and attorney or law firm;
- Reasons the legal services cannot be performed by attorneys of the subdivision;
- Reasons legal representation cannot be attained for an hourly rate as opposed to a contingency fee; and
- Reasons the contract is in the best interest of the residents of the subdivision.

Subdivision Findings

Before a governing body may approve a contingent fee contract for legal services, the bill requires the subdivision to make a finding in writing that:

- It is in the best interest of the residents or there is a substantial need to enter into the contract for legal services;
- The legal services cannot be adequately performed by the attorneys and personnel of the subdivision; and
- The subdivision cannot reasonably obtain legal representation at an hourly rate due to the nature of the legal matter or because the subdivision does not have the funds necessary or would pay substantially more for legal services at an hourly rate.

The governing body of the subdivision can approve the contract in an open meeting only after discussion and consideration of the above findings.

AG Approval

Before an approved contingency fee contract could take effect, the bill requires the subdivision to receive the approval of the AG. For consideration by the AG, the subdivision must provide the AG with:

- A copy of the proposed contract;
- A description of the legal matter;
- A copy of the notice and agenda, including the date such notice was issued and a description of the method used for providing the notice; and
- A copy of the written findings made by the subdivision that the legal services are needed.

The bill also requires the AG to approve or refuse the contract within 45 days of receiving the above information. The bill requires the AG to approve the contract promptly if the request involves a matter of purely local concern that does not implicate any statewide interest.

The AG must provide written notice to the subdivision if a contract is refused for one of three reasons, as specified in the bill, and such notice must include a detailed explanation of the reason for refusal. Reasons for refusal include:

- The legal matter presents one or more questions of law or fact that are in common with litigation the State has already addressed or is pursuing;
- The legal matter involves claims or issues that are more appropriately within the scope of state enforcement, and the independent pursuit of the matter by the subdivision could lead to inconsistent legal outcomes or undermine the State's unified position; or
- The contract does not comply with the Kansas Rules of Professional Conduct.

If the AG has taken no action within 45 days, the contract would be deemed approved.

Dismissal or Intervention by Attorney General for Non-compliance

In any judicial or quasi-judicial proceeding in which a subdivision is represented by an attorney providing non-compliant contingent fee legal services, the bill allows the AG to appear and request dismissal or intervention and recovery of damages on behalf of the subdivision. Upon a finding that the contract is not in compliance, the court or quasi-judicial body is required to dismiss the matter without prejudice or to allow the AG to intervene on behalf of the subdivision.

Pre-existing Contingent Fee Contracts

The bill allows the AG to review contingency fee contracts entered into by subdivisions before the effective date of the bill. For contracts entered into between July 1, 2024, and July 1, 2025, the bill requires the subdivision to submit such contracts to the AG for approval on or before July 1, 2026. The AG has the discretion to review these contracts and approve or refuse pursuant to the provisions of the bill. Any judicial or quasi-judicial proceeding involving a contingent fee contract that is pending continues unless the AG appears in such a proceeding as described above.

Definitions

For purposes of the bill, "legal services" means all services that constitute the practice of law or services performed by or under authority of a law firm or attorney regardless of whether such services are performed by someone admitted to practice law in Kansas. The term does not include services performed by attorneys or other persons assisting a subdivision with:

- Services related to bonds, temporary notes, no-fund warrants, state infrastructure loans, or lease financing;
- Debt collection;
- Recouping costs and deductibles related to insurance liability;
- Property sales; or
- Enforcement of support orders.

The term "political subdivision" does not include water utilities as defined in continuing law concerning water supply and distribution districts.

OPEN RECORDS

Open Records and Open Meetings; HB 2134

HB 2134 limits the fees charged by a public agency in response to Kansas Open Records Act (KORA) requests and allows a requester to appeal a fee's reasonableness to the Secretary of Administration (Secretary) if the responding public agency is within the Executive Branch.

The bill exempts disclosure of certain closed investigations, changes the date for counties or district attorneys to report complaints regarding KORA and the Kansas Open Meetings Act (KOMA), and amends provisions concerning public meetings in KOMA.

Fees for Public Records

The bill amends law prohibiting an agency from charging a fee in excess of the actual cost of furnishing copies of requested records. The bill specifies that actual costs include the cost to review requests and redact the requested records. The bill prohibits any incidental costs incurred by the public agency not attributable to furnishing the requested records from being included.

If the public agency incurs costs for staff time to provide access to or furnish copies of public records, the bill requires the agency to use in good faith the lowest cost category of staff reasonably necessary to provide such access or copies. The bill requires the charges for staff time be based on the employee's salary or hourly wage, not including the cost of employee benefits.

The bill requires executive agency heads to establish fees for access to or for copies of the agency records.

Cost Estimates

The bill requires a public agency to make reasonable efforts to contact the requester and engage in interactive communication about mitigating request costs when the staff time needed to respond would exceed five hours or the estimated actual cost for staff time exceeds $200.

If the public agency has made reasonable efforts to contact the requester, and the requester fails to respond by the end of the third business day, the bill considers the request to be withdrawn until a subsequent contact has been made by the requester to the agency. "Reasonable efforts" means contacting the requester through the means of communication the requester provided as their preferred method.

The bill requires the public agency, upon request of the person requesting access to or copies of public records under KORA, to provide an itemized statement of costs incurred by the public agency and charged to the requester. The statement is required to include, but would not be limited to, the hourly rates for each employee involved in making the records available, and an itemized list of any other fees charged to provide access to or copies of the requested records.

Appeals

Under continuing law, persons who feel a KORA request fee is unreasonable may appeal the estimate to the Secretary of Administration. The bill clarifies that such appeals only apply to records within the Executive Branch.

Certain Records Not Subject to Disclosure

The bill amends law concerning records that a public agency is not required to disclose under KORA to exempt the disclosure of formally closed investigations of violations of civil law or administrative rules and regulations when no violations were found.

The bill exempts records of a public agency that contain material that is obscene, as defined by the Kansas Criminal Code.

Reports of KORA and KOMA Complaints

The bill changes the date from January 15 to October 15 of each year by which the county or district attorney of each county must report to the Attorney General all KORA and KOMA complaints received during the previous fiscal year.

Changes Applicable to Public Meetings

Subordinate Groups Subject to KOMA

The bill provides that whenever a majority of a subcommittee or other subordinate group created by a public body or agency meets, such subcommittee or group meeting would be considered an open meeting subject to KOMA.

A private entity is considered a subordinate group of a legislative or administrative body of the State or a political and taxing subdivision only if they are under the direct or indirect control of such body.

Livestreaming

The bill provides that a public body or agency that voluntarily elects to livestream a meeting must ensure that all aspects of the meeting are available through the selected medium for the public to observe. The bill specifies that an unintentional technological failure or an action taken by the provider of the selected medium that disrupts or prevents the livestream would not constitute a KOMA violation under the bill.

PROFESSIONS AND OCCUPATIONS

Fireworks Sales and Fallen Firefighters Memorial; SB 199

SB 199 permits year-round fireworks sales under certain conditions and makes additional changes to law related to the sale of fireworks. The bill also designates the existing Fallen Firefighters Memorial adjacent to the Kansas Firefighters Museum in Wichita as the official Fallen Firefighters Memorial of the State of Kansas and replaces the Kansas Firefighters Memorial Advisory Committee with the Kansas Firefighter Memorial Council (Council).

Permanent and Seasonal Fireworks Retailers

The bill allows the sale of fireworks to the public for personal use by individuals registered with the State Fire Marshal as permanent retailers from permanent structures at permanent locations within the state. The bill requires sales by permanent retailers to be made from a physical location.

The bill requires permanent retailers to register annually with the State Fire Marshal. This registration allows them to lawfully possess and convey fireworks, subject to applicable law. The registration is required to include certain business contact information, addresses for locations at which fireworks will be sold, and time periods in which the sales will occur.

Seasonal retailers are not required to register as such with the State Fire Marshal, but are limited to sales during the period of June 20 through July 7 of the calendar year.

Categories of Distributors

The bill replaces the definition of "distributor" in current law with three categories of distributors and creates corresponding categories of license. "Unlimited distributor" is defined to mean a person engaged in any of the activities of distributors as found in current law in addition to the activities of permanent retailers established by the bill, while distributors of display fireworks and distributors of articles pyrotechnic are limited to distributing fireworks corresponding to the respective terms. [*Note:* The terms "display fireworks" and "articles pyrotechnic" are defined in rules and regulations of the State Fire Marshal and are not defined in the bill.]

The bill excludes from the definition of "unlimited distributor" but includes in the definition of "distributor of display fireworks" persons transporting fireworks through Kansas to another state; persons selling consumer fireworks as a seasonal or permanent retailer; freight delivery companies or common carriers; and out-of-state persons selling, transporting, delivering, or giving fireworks to a licensed manufacturer or distributor.

Additional Provisions

The bill makes it unlawful to possess, purchase, sell, or offer for sale fireworks labeled "For Professional Use Only" without a current license issued by the State Fire Marshal.

The bill requires the State Fire Marshal to adopt rules and regulations to implement the provisions of the bill.

The above provisions of the bill, regarding fireworks sales, take effect upon publication in the *Kansas Register*.

Official Fallen Firefighters Memorial of Kansas

The bill designates the Fallen Firefighters Memorial located adjacent to the Kansas Firefighters Museum in Wichita as the official Fallen Firefighters Memorial of the State of Kansas. The bill repeals statutes regarding a memorial to Kansas firefighters, duties to the State Fire Marshal, duties of the Secretary of Administration, and the Kansas Firefighters Memorial Fund.

Kansas Firefighters Memorial Council

The bill establishes the Kansas Firefighters Memorial Council (Council) and abolishes the Firefighters Memorial Advisory Committee and transfer all of its powers, duties, functions, records, and other property to the Council.

Council Membership

The Council will be composed of the following members:

- One representative appointed by the Governor from each of the following organizations:
  - Fire Marshals Association of Kansas;
  - Kansas Council of Firefighters;
  - Kansas Firefighters Museum;
  - Kansas State Association of Fire Chiefs;
  - Kansas State Firefighters Association;
  - Kansas State Funeral Assistance Team;
  - Wichita Park Board;
- The State Fire Marshal, or the State Fire Marshal's designee; and
- The Executive Director of the Kansas State Historical Society, or the Executive Director's designee.

Council Organization

The bill requires the members of the Council to organize annually by electing a Chairperson and Vice-chairperson and requires the Council to meet at least once annually at the call of the Chairperson.

The Secretary of Administration, or the Secretary's designee, will serve as secretary for the Council.

Council Duties

The bill requires the Council to make recommendations to the Governor and the Legislature regarding appropriate activities memorializing or commemorating the services of firefighters in Kansas including, but not limited to, recommendations concerning updates and repairs to the Fallen Firefighters Memorial.

The bill authorizes the Council to receive and solicit grants, gifts, contributions, and bequests to finance authorized expenditures, including those authorized for the Fallen Firefighters Memorial, and remit all moneys received for deposit in the State Treasury to the credit of the Kansas Firefighters Memorial Fund.

The above provisions of the bill, regarding the Fallen Firefighters Memorial, Council, and Fund, take effect on and after July 1, 2025.

Multistate Compacts: School Psychologist, Dietitian, Cosmetologist Licensure, Physician Assistant Licensure; HB 2069

HB 2069 enacts four multistate licensure compacts: the School Psychologist Compact (SP Compact), the Dietitian Compact, the Cosmetologist Licensure Compact (Compact), and the Physician Assistant Licensure Compact (PA Compact). The uniform provisions for each compact are outlined below.

School Psychologist Compact

Purpose

The SP Compact's purpose is to facilitate the interstate practice of school psychology in educational or school settings to improve the availability of school psychological services to the public. The SP Compact establishes a pathway to allow school psychologists to obtain equivalent licenses to provide school psychological services in any member state and promotes the mobility of school psychologists between and among member states to address workforce shortages. The SP Compact will also facilitate the relocation of military members and their spouses who are licensed to provide school psychological services.

Definitions

The SP Compact defines various terms, including:

- "School psychological services" means academic, mental, and behavioral health services, including assessment, prevention, consultation, collaboration, intervention, and evaluation provided by a school psychologist in a school, as outlined in applicable professional standards as determined by the School Psychologist Interstate Licensure Compact Commission (SP Commission) rule; and

- "School psychologist" means an individual who has met the requirements to obtain a home state license that legally conveys the professional title of school psychologist as determined by SP Commission rule.

State Participation in the SP Compact

The SP Compact defines requirements for states to join and maintain eligibility as member states in the SP Compact, including enacting a SP Compact statute not materially different from the model legislation and participating in the sharing of information with the SP Commission and other member states as necessary. The SP Compact requires applicants for a home state license to have:

- Taken and passed a qualifying national exam as defined by the rules of the SP Commission;

- Completed a minimum of 1,200 hours of supervised internship, including at least 600 hours completed in a school prior to being approved for licensure; and

- Graduated from a qualifying school psychologist education program.

The SP Compact provides for member states to set and collect a fee for granting an equivalent license.

School Psychologist Participation in the SP Compact

The SP Compact sets requirements for a licensee to obtain and maintain an equivalent license from a remote state, including holding and maintaining a home state license, paying any required fees, and undergoing a criminal background check. To renew an equivalent license in a member state other than the home state, a licensee will be required to apply for renewal, complete a background check, and pay renewal fees as determined by the licensing authority.

Active Military Members or Their Spouses

The SP Compact provides for a licensee who is an active military member or the spouse of an active military member to hold a home state license in any of the following locations:

- The licensee's permanent residence;

- A member state that is the licensee's primary state of practice; or

- A member state where the licensee has relocated pursuant to a permanent change of station.

Discipline and Adverse Actions

The SP Compact will not limit the authority of a member state to investigate or impose disciplinary measures on licensees according to the state's practice laws. Member states will be authorized to receive and will be required to provide files and information regarding the investigation and discipline, if any, of licensees in other member states upon request.

Establishment of the School Psychologist Interstate Licensure Compact Commission

The SP Compact creates and establishes a joint government agency, the School Psychologist Interstate Licensure Compact Commission (SP Commission), consisting of member states that have enacted the SP Compact. The SP Compact will provide requirements for membership, voting, and meetings of the SP Commission; the powers of the SP Commission; and the Executive Committee of the SP Commission.

The SP Compact will provide for the SP Commission to pay for the reasonable expenses of its establishment, organization, and ongoing activities. The powers of the SP Commission will include levying and collecting an annual assessment from each member state and imposing fees on licensees to cover the cost of the operations and activities of the SP Commission. The SP Compact will require the SP Commission to adopt an annual report, including a financial review, and provide the report to the member states.

The SP Compact will provide for the qualified immunity, defense, and indemnity of its members, officers, employees, and representatives of the SP Commission acting within the scope of SP Commission employment, duties, or responsibilities. The protections will not apply for damage, loss, injury, or liability caused by the individual's intentional, willful, or wanton misconduct. The SP Compact will not limit the liability of any licensee for professional malpractice or misconduct governed by applicable state laws.

Facilitating Information Exchange

The SP Compact requires the SP Commission to facilitate the exchange of information to administer and implement the provisions of the SP Compact, including the following licensee information:

- Identifying information;
- Licensure data;
- Adverse actions against a license and related information;
- Non-confidential information related to alternative program participation;
- Any denial of application for licensure and the reasons for denial;
- The presence of investigative information; and

- Other information that may facilitate the administration of the SP Compact or the protection of the public, as determined by the rules of the SP Commission.

Rulemaking

The SP Compact provides the SP Commission with the authority to promulgate reasonable rules to achieve the intent and purpose of the SP Compact. A majority of legislatures of the member states could reject a rule by enactment of a statute or resolution within four years of adoption of the rule. The SP Compact also provides for emergency rulemaking procedures.

Oversight, Dispute Resolution, and Enforcement

The SP Compact provides for the executive and judicial branches of the state government in each member state to enforce the SP Compact and take all actions necessary and appropriate to implement the SP Compact.

If the SP Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under the SP Compact, the SP Commission will provide written notice to the defaulting state to describe the default and provide proposed means of curing the default. The SP Commission will be required to offer training and specific technical assistance regarding the default.

The SP Compact defines the process for removing a defaulting state, resolving disputes among member states, and enforcing the SP Compact against a member state or the SP Commission.

Effective Date, Withdrawal, and Amendment

The SP Compact will come into effect on the date that the SP Compact statute is enacted into law in the seventh member state. [*Note*: As of February 5, 2025, the SP Compact has been enacted in Colorado and West Virginia, and was being considered in eight states, including Kansas.]

The SP Compact provides for procedures to remove a defaulting member state or for a member state to withdraw from the SP Compact. The SP Compact will be amendable by enactment of law by all member states.

Construction and Severability

The SP Compact and the SP Commission's rulemaking authority will be liberally construed so as to effectuate the purposes, implementation, and administration of the SP Compact. The provisions of the SP Compact are severable.

Consistent Effect and Conflict with Other State Laws

The SP Compact does not prevent or inhibit the enforcement of any other law of a member state not inconsistent with the SP Compact. Any laws, statutes, regulations, or other

legal requirements in a member state in conflict with the SP Compact would be superseded to the extent of the conflict, and all permissible agreements between the SP Commission and member states would be binding.

Dietitian Compact

Purpose

The purpose of the Dietitian Compact is to facilitate the interstate practice of dietetics with the goal of improving public access to dietetics services and achieving a number of objectives that reduce administrative burden while increasing availability of licensed dietitians as well as cooperation among member state licensing bodies.

The Dietitian Compact preserves the regulatory authority of states to protect public health and safety through the current system of state licensure while also providing license portability for qualifying professionals.

Definitions

The Dietitian Compact defines various terms used throughout the Dietitian Compact, including:

- "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws that is imposed by a licensing authority or other authority against a licensee, including actions against an individual's license or Dietitian Compact privilege, such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a licensee's authorization to practice, including issuance of a cease-and-desist action;

- "Compact Commission" means the governmental agency whose membership consists of all states that have enacted this Dietitian Compact, which is known as the Dietitian Licensure Compact Commission (Dietitian Compact Commission), and which shall operate as an instrumentality of member states;

- "Practice of dietetics" means the synthesis and application of dietetics as defined by state law and regulations, primarily for the provision of nutrition care services, including medical nutrition therapy, in person or via telehealth, to prevent, manage, or treat diseases or medical conditions and promote wellness;

- "Registered dietitian" means a person who has completed applicable education, experience, examination, and recertification requirements approved by the Commission on Dietetic Registration; is credentialed by the Commission on Dietetic Registration as a registered dietitian or a registered dietitian nutritionist; and is legally authorized to use the title Registered Dietitian or Registered Dietitian Nutritionist and the corresponding abbreviations "RD" or "RDN"; and

- "Single state license" means a license issued by a member state within the issuing state and does not include a Dietitian Compact privilege in any other member state.

State Participation in the Dietitian Compact

The Dietitian Compact requires member states to:

- Participate fully in the Dietitian Compact Commission's data system;
- Notify the Dietitian Compact Commission of adverse actions regarding a licensee;
- Implement a criminal history check including the submission of fingerprints to both the Federal Bureau of Investigation and the comparable state agency for Dietitian Compact licensees;
- Comply with the rules of the Dietitian Compact Commission;
- Require an applicant for the Dietitian Compact to obtain or retain a license in the home state and meet all home state requirements for licensure or renewal; and
- Recognize each licensee who has met the terms of the Dietitian Compact and rules.

The Dietitian Compact authorizes member states to charge a fee for granting a Dietitian Compact privilege. The Dietitian Compact specifies member states retain sole jurisdiction over the licensing requirements for a single-state license to practice dietetics.

Dietitian Compact Privilege

The Dietitian Compact requires dietitians to meet certain educational and credentialing criteria to exercise Dietitian Compact privileges and aligns Dietitian Compact privilege with the underlying valid home state license, including renewal criteria and continuing education requirements set by the licensee's home state. The Dietitian Compact will require that a licensee practicing in a remote state adhere to the remote state's laws and regulations relating to dietetics.

Obtaining a New Home State License Based on Dietitian Compact Privilege

The Dietitian Compact would allows a licensee to have only one home state license at a time. The Dietitian Compact provides a procedure to change a licensee's home state license when relocating between member states.

Active Duty Military Personnel or Their Spouses

The Dietitian Compact allows active duty military personnel or their spouses to designate a home state where such service member or spouse has a current license in good standing and allows such military personnel or spouse to retain that home state designation during the period of time the service member is on active duty.

Adverse Actions

The Dietitian Compact allows a member state to take adverse action against an licensee's Dietitian Compact privilege in such member state and to issue subpoenas. Only the licensee's home state has the power to take adverse action against the license issued by the home state. However, a member state does have the authority to take adverse action based on the factual findings of another remote state if the other member state follows its own procedures for adverse actions. Member states are permitted to recover costs of investigations or dispositions if permitted by their state law. The home state will be required to promptly report the conclusions of any investigation to the data system. The Dietitian Compact authorizes joint investigations of licensees by member states.

Establishment of the Dietitian Licensure Compact Commission

The Dietitian Compact creates the Dietitian Compact Commission and includes provisions relating to membership, voting, powers and duties, and financing of the Dietitian Compact Commission. The Dietitian Compact establishes the Executive Committee, which will have the power to act on behalf of the Dietitian Compact Commission according to the terms of the Dietitian Compact.

The Dietitian Compact provides for the Dietitian Compact Commission to pay for the reasonable expenses of its establishment, organization, and ongoing activities. The Dietitian Compact Commission will be authorized to levy and collect an annual assessment from each member state and impose fines on licensees of member states to cover the cost of operations. The Dietitian Compact will require the Dietitian Compact Commission to adopt an annual report, including a financial review, and provide the report to member states.

The Dietitian Compact provides for the qualified immunity, defense, and indemnity of its members, officers, employees, and representatives acting within the scope of Dietitian Compact Commission employment, duties, or responsibilities. The protections do not apply for damage, loss, injury, or liability caused by the individual's intentional, willful, or wanton misconduct. The Dietitian Compact does not limit the liability of any licensee for professional malpractice or misconduct governed by applicable state laws.

Data Systems

The Dietitian Compact requires the Dietitian Compact Commission to develop, maintain, operate, and utilize a coordinated data system. The Dietitian Compact governs how the information will be provided to the data system by member states and the use of the data by member states, as well as its designation of information that could not be shared with the public without the express permission of the contributing state. The Dietitian Compact also requires removal of expunged information from the data system.

Rulemaking

The Dietitian Compact authorizes the Dietitian Compact Commission to exercise rulemaking powers. The bill requires notice of proposed rules to specified persons and locations to be provided at least 30 days prior to the meeting where the Dietitian Compact Commission will consider such rules. Additionally, the Dietitian Compact Commission will be required to provide notice of the public hearing and provide access to the meeting and record all hearings. The Dietitian Compact states a majority of legislatures of the member states could reject a rule by enactment of a statute or resolution within four years of adoption of the rule. The Dietitian Compact also provides for emergency rulemaking procedures.

Oversight, Dispute Resolution, and Enforcement

The Dietitian Compact provides that the executive and judicial branches in each member state will enforce and implement the Dietitian Compact. The Dietitian Compact establishes judicial venue and service of process for the Dietitian Compact Commission. The Dietitian Compact also establishes a process to be followed by member states regarding default, requesting technical assistance, or termination from the Dietitian Compact. The Dietitian Compact requires the Dietitian Compact Commission, upon member request, to resolve disputes arising among member states and between member states and non-member states. In addition, the Dietitian Compact Commission is authorized to enforce the provisions of the Dietitian Compact, and, by supermajority vote, could initiate legal action in federal court against a member state.

Effective Date, Withdrawal, and Amendment

The Dietitian Compact will be effective on the date on which the Dietitian Compact statue is enacted into law in the seventh member state. [*Note*: As of February 5, 2025, the Dietitian Compact had been enacted in 4 states—Alabama, Nebraska, Ohio, and Tennessee—and was being considered in 15 states, including Kansas.]

Any member state will be allowed to withdraw from the Dietitian Compact by enacting a statute that would repeal the Dietitian Compact, but this would not take effect until 180 days after the enactment of the repealing statute. Member states could amend the Dietitian Compact, but any amendment would not be effective until it is enacted by all member states. Additionally, the Dietitian Compact will not invalidate or prevent any licensure agreement or cooperative arrangement between a member state and non-member state that does not conflict with the Dietitian Compact.

Construction and Severability

The Dietitian Compact states the Dietitian Compact and the Dietitian Compact Commission's rulemaking authority shall be liberally construed and the provisions of the Dietitian Compact are severable.

Consistent Effect and Conflict with Other State Laws

The Dietitian Compact does not prevent the enforcement of any other law of a member state not inconsistent with the Dietitian Compact. Laws in conflict with the Dietitian Compact would be superseded to the extent of the conflict and all lawful actions of the Dietitian Compact Commission would be binding upon member states.

Cosmetologist Licensure Compact

Purpose

The purpose of the Compact is to facilitate the interstate practice of cosmetology with the goal of improving public access to cosmetology services and achieving a number of objectives that reduce administrative burden while increasing licensure and mobility of licensed cosmetologists as well as cooperation between states' licensing bodies.

The Compact preserves the regulatory authority of states to provide services through the current system of state licensure while also providing license portability for qualifying professionals through a multistate licensing system.

Definitions

The Compact defines various terms, including:

- "Commission" means the governmental agency whose membership consists of all states that have enacted this Compact, which is known as the Cosmetology Licensure Compact Commission (Commission), and which shall operate as an instrumentality of member states;

- "Cosmetology," "cosmetology services," and the "practice of cosmetology" means the care and services provided by a cosmetologist as defined in the member state's statutes and regulations in the state where the services are being provided; and

- "Multistate license" means a license issued by and subject to the enforcement jurisdiction of the state licensing authority in a licensee's home state that authorizes the practice of cosmetology in member states and includes authorizations to practice cosmetology in all remote states pursuant to the Compact.

State Participation in the Compact

To be eligible to join the Compact, member states are required to:

- License and regulate cosmetology;

- Have the ability to receive and investigate complaints about licensees practicing cosmetology in the state;
- Require licensees within the state to pass a cosmetology competency examination prior to being licensed to provide cosmetology services to the public;
- Require licensees to satisfy educational or training requirements in cosmetology prior to being licensed;
- Implement a procedure to consider applicants' criminal history, disciplinary history, or background check;
- Participate fully in the data system;
- Share adverse actions against a licensee with the Commission;
- Notify the Commission of the existence of investigative information or current significant investigative information in the state's possession regarding a state's licensee;
- Comply with the rules of the Commission; and
- Accept licensees from other member states who have met the terms of the Compact.

The Compact authorizes member states to charge a fee for granting a multistate license to practice cosmetology. The Compact provides for member states to retain sole jurisdiction over the licensing requirements for a single state license to practice cosmetology.

Multistate License

The Compact requires an applicant for multistate licensure to hold an active and unencumbered single-state license to practice cosmetology in the applicant's home state. If an applicant meets the educational and credentialing criteria to have a multistate license, the Compact requires the state licensing authority to grant a multistate license within a reasonable amount of time. The Compact requires that a licensee practicing in a remote state adhere to that state's laws and regulations relating to cosmetology as well as the jurisdiction of the state licensing authority and the courts of the member state.

Reissuance of a Multistate License by a New Home State

The Compact allows a licensee to have only one multistate license, issued by their home state, at any given time. The Compact provides a procedure to change a licensee's home state license when relocating between member states.

Authority of the Compact Commission and Member State Licensing Authorities

The Compact does not limit, restrict, or in any way reduce the authority of a member state to enact and enforce laws, rules, or regulations to the practice of cosmetology that are not inconsistent with the Compact. Member states are expected to cooperate with the Commission. The Compact requires discipline to be the sole responsibility of the state where cosmetology services are provided. Member states are required to communicate with each other regarding complaints and adverse actions.

Adverse Actions

The Compact allows a member state to take adverse action against a licensee's multistate license in such member state and to issue subpoenas. Only the licensee's home state will have the power to take adverse action against the license issued by the home state. For the purposes of taking adverse action, the home state's licensing authority may act on reported conduct received from a remote state as though such conduct occurred within the home state, and the home state will apply its own state laws. The Compact also allows joint investigations of licensees by member statess. Member states are permitted to recover costs of investigations or dispositions if permitted by their state law.

The Compact requires a licensee's home state to promptly report the conclusions of any investigation to the data system. If an adverse action is taken by the home state, the multistate license will be deactivated in all member states until all encumbrances are removed from the home state license. The home state will be able accept a licensee's participation in an alternative program in lieu of adverse action. A multistate license would be suspended for the duration of the participation in the alternative program.

Active Duty Military Personnel or Their Spouse

The Compact allows active duty military personnel or their spouses to designate a home state where such service member or spouse has a current license in good standing and allows such military personnel or spouse to retain that home state designation during the period of time the service member is on active duty.

Establishment and Operation of the Cosmetology Licensure Compact Commission

The Compact creates the Cosmetology Licensure Compact Commission (Commission) and includes provisions relating to membership, voting, powers and duties, and financing of the Commission. The Compact establishes the Executive Committee, which has the power to act on behalf of the Commission according to the terms of the Compact.

The Compact provides for the Commission to pay for the reasonable expenses of its establishment, organization, and ongoing activities. The Commission will have authority to levy and collect an annual assessment from each member state and impose fines on licensees of member states to cover the cost of operations. The Compact requires the Commission to adopt an annual report, including a financial review, and provide the report to member states.

The Compact provides for the qualified immunity, defense, and indemnity of its members, officers, employees, and representatives of the Commission acting within the scope

of Commission employment, duties, or responsibilities. The protections will not apply for damage, loss, injury, or liability caused by the individual's intentional, willful, or wanton misconduct. The Compact will not limit the liability of any licensee for professional malpractice or misconduct governed by applicable state laws.

Data Systems

The Compact requires the Commission to develop, maintain, operate, and utilize a coordinated database and reporting system. The Compact governs how the information will be provided to the data system by member states, the use of the data by member states, as well as its designation of information that cannot be shared with the public without the express permission of the contributing state. The Compact also requires removal of expunged information from the data system.

Rulemaking

The Compact authorizes the Commission to exercise rulemaking powers. The Compact requires notice of proposed rules to specified persons and locations to be provided at least 30 days prior to the meeting where the Commission will consider such rules. Additionally, the Commission will be required to provide notice of the public hearing, provide access to the meeting, and record all hearings. A majority of legislatures of the member states could reject a rule by enactment of a statute or resolution within four years of adoption of the rule. The Compact would also provide for emergency rulemaking procedures.

Oversight, Dispute Resolution, and Enforcement

The Compact provides that the executive and judicial branches in each member state will enforce and implement the Compact. The Compact establishes judicial venue and service of process for the Compact Commission. The Compact also establishes a process to be followed by member states regarding default, requesting technical assistance, or termination from the Compact. The Compact requires the Commission, upon member request, to resolve disputes arising among member states and between member states and non-member states. In addition, the Commission will be allowed to enforce the provisions of the Compact, and, by majority vote, could initiate legal action in federal court against a member state.

Effective Date, Withdrawal, and Amendment

The Compact will be effective on the date on which the Compact statue is enacted into law in the seventh member state. [*Note*: As of February 6, 2025, the Compact had been enacted in eight states: Alabama, Arizona, Colorado, Kentucky, Maryland, Ohio, Tennessee, and Virginia. Ten additional states, including Kansas, are considering Compact legislation.]

Any member state will be allowed to withdraw from the Compact by enacting a statute that would repeal the Compact, but this would not take effect until 180 days after the enactment of the repealing statute. Member states could amend the Compact, but any amendment would not be effective until it is enacted by all member states. Additionally, the Compact will not invalidate or prevent any licensure agreement or cooperative arrangement between a member state and non-member state that did not conflict with the Compact.

Construction and Severability

The Compact and the Commission's rulemaking authority are required to be liberally construed and the provisions of the Compact are severable.

Consistent Effect and Conflict with Other State Laws

The Compact will not prevent the enforcement of any other law of a member state that is not inconsistent with the Compact. Laws in conflict with the Compact will be superseded to the extent of the conflict, and all lawful actions of the Commission will be binding upon member states.

Physician Assistant Licensure Compact

Purpose

The purpose of the PA Compact is to facilitate the interstate practice of physician assistants (PAs) with the goal of improving public access to medical services and achieving a number of objectives that reduce administrative burden while increasing availability of licensed PAs as well as cooperation among member state licensing bodies.

The PA Compact preserves the regulatory authority of states to safeguard the safety of patients through the current system of state licensure while also providing license portability for qualifying professionals.

The PA Compact allows active duty military personnel or their spouses to obtain a compact privilege by having an unrestricted license in good standing from a participating state.

Definitions

The PA Compact defines various terms used throughout the PA Compact, including:

- "Compact privilege" means the authorization granted by a remote state to allow a licensee from another participating state to practice as a PA to provide medical services and other licensed activity to a patient located in a remote state under the remote state's laws and regulations; and

- "PA" means an individual who is licensed as a PA in a state. For purposes of this compact, any other title or status adopted by a state to replace the term "physician assistant" shall be deemed synonymous with "physician assistant" and shall confer the same rights and responsibilities to the licensee under the provisions of this compact at its time of its enactment.

State Participation in the PA Compact

The PA Compact requires member states to:

- License PAs;
- Participate in the PA Compact Commission's (PA Commission's) data system;
- Have a mechanism in place for receiving and investigating complaints against licensees and applicants for licensure;
- Notify the PA Commission of adverse actions and the existence of significant investigative information regarding a licensee or applicant for licensure;
- Implement and report a criminal background check, to include the submission of fingerprints or other biometric-based information, per the PA Commission;
- Comply with the rules of the PA Commission;
- Utilize passage of a recognized national examination as a requirement for PA licensure; and
- Grant the PA Compact privilege to a qualifying licensee in a participating state.

The PA Compact authorizes member states to charge a fee for granting a PA Compact privilege.

PA Compact Privilege

The PA Compact requires PAs to meet certain educational, credentialing, criminal history, and controlled substances license, permit, or registration criteria to exercise PA Compact privileges. The bill aligns PA Compact privilege with the underlying license's adverse actions limitations or restrictions unless a participating state does not have the same basis for disciplinary action, and the participating state will have the ability to exercise its discretion not to consider such action as an adverse action requiring denial or removal of a PA Compact privilege.

Designation of the State from which the Licensee is Applying for PA Compact Privilege

The PA Compact requires a licensee to designate their home state and the primary residential address to be used for service of process by mail. The PA Compact requires a licensee to consent to service of process by mail.

Adverse Actions

The PA Compact authorizes a member state to take adverse action against a licensee's PA Compact privilege in such member state and to issue subpoenas, except that a subpoena could not be issued to gather evidence of conduct that is lawful in another state for the purpose of taking adverse action in the home state. Only the licensee's home state will have the power to take adverse action against the license issued by the home state. However, a member state

will have the authority to take adverse action to remove a PA Compact privilege or to protect the health and safety of its citizens.

Member states will be permitted to recover costs of investigations or dispositions if permitted by their state law. The PA Compact authorizes joint investigations of licensees by member states. The PA Compact requires a PA Compact privilege to be deactivated until two years have elapsed after all restrictions have been removed from a state license that has had adverse action taken. Member states are required to report promptly any adverse action to the data system.

Establishment of the Physician Assistant Licensure Compact Commission

The PA Compact creates the Physician Assistant Licensure Compact Commission (PA Commission) and includes provisions relating to membership, voting, powers and duties, and financing of the PA Commission. The PA Compact establishes the Executive Committee, which will have the power to act on behalf of the PA Commission according to the terms of the PA Compact.

The PA Compact provides for the PA Commission to pay for the reasonable expenses of its establishment, organization, and ongoing activities. The PA Commission will be authorized to levy and collect an annual assessment from each member state and impose fines on licensees of member states to cover the cost of operations. The PA Compact requires the PA Commission to establish a code of ethics for the PA Commission; adopt an annual report, including a financial review; and provide the report to member states.

The PA Compact provides for the qualified immunity, defense, and indemnity of its members, officers, employees, and representatives acting within the scope of PA Commission employment, duties, or responsibilities. The protections do not apply for damage, loss, injury, or liability caused by the individual's intentional, willful, or wanton misconduct. The PA Compact does not limit the liability of any licensee for professional malpractice or misconduct governed by applicable state laws.

Data Systems

The PA Compact requires the PA Commission to develop, maintain, operate, and utilize a coordinated data system. The PA Compact governs how the information is provided to the data system by member states and the use of the data by member states, as well as its designation of information that could not be shared with the public without the express permission of the contributing state. The PA Compact also requires removal of expunged information from the data system.

Rulemaking

The PA Compact authorizes the PA Commission to exercise rulemaking powers. The bill requires notice of proposed rules to specified persons and locations to be provided at least 30 days prior to the meeting where the PA Commission will consider such rules. Additionally, the PA Commission will be required to provide notice of the public hearing, provide access to the meeting, and record all hearings. The PA Compact states a majority of legislatures of the

member states could reject a rule by enactment of a statute or resolution within four years of adoption of the rule. The PA Compact also provides for emergency rulemaking procedures.

Oversight, Dispute Resolution, and Enforcement

The PA Compact provides that the executive and judicial branches in each member state will enforce and implement the PA Compact. The PA Compact establishes judicial venue and service of process for the PA Commission. The PA Compact also establishes a process to be followed by member states regarding default, requesting technical assistance, or termination from the PA Compact. The PA Compact requires the PA Commission, upon member request, to attempt to resolve disputes arising among member states and between member states and non-member states. In addition, the PA Commission will be authorized to enforce the provisions of the PA Compact, and, by majority vote, initiate legal action in federal court against a member state in default.

Effective Date, Withdrawal, and Amendment

The PA Compact will be effective on the date on which the PA Compact statute is enacted into law in the seventh member state. [*Note:* As of May 2024, the PA Compact met the threshold of seven states participating. It is projected that the PA Compact Commission will begin granting PA Compact privileges to practice in early 2026.]

Any member state will be allowed to withdraw from the PA Compact by enacting a statute that would repeal the PA Compact, but this would not take effect until 180 days after the enactment of the repealing statute. Member states could amend the PA Compact, but any amendment would not be effective until it is enacted by all member states. Additionally, the PA Compact will not invalidate or prevent any licensure agreement or cooperative arrangement between a member state and non-member state that did not conflict with the PA Compact.

Construction and Severability

The PA Compact states the PA Compact and the PA Commission's rulemaking authority shall be liberally construed, and the provisions of the PA Compact are severable.

Binding Effect of Compact

The PA Compact does not prevent the enforcement of any other law of a member state not inconsistent with the PA Compact. Laws in conflict with the PA Compact would be superseded to the extent of the conflict, and all lawful actions of the PA Commission would be binding upon member states.

PUBLIC SAFETY

Statewide Opioid Antagonist Protocol Exemptions; Sub. for SB 193

Sub. for SB 193 amends the Statewide Opioid Antagonist Protocol (Protocol) to exempt law enforcement agencies from the Protocol's requirement to utilize a physician medical director or licensed pharmacist unless the agency was electing to use an emergency opioid antagonist dispensed or furnished pursuant to the Protocol. [*Note:* The Protocol was established with enactment of 2017 HB 2217.]

The bill takes effect upon publication in the *Kansas Register.*

Concealed Carry Licensure and Off-duty Officers; HB 2052

HB 2052 amends provisions of the Kansas Personal and Family Protection Act (Act) concerning the issuance of provisional and standard concealed carry licenses and the carrying of a concealed handgun by an off-duty law enforcement officer (officer).

Issuance of Concealed Carry Licenses

Under continuing law, a person who is at least 18 years of age may obtain a provisional concealed carry license if they meet the statutory requirements and follow the application procedures and requirements. A provisional license expires four years after being issued.

The bill allows any person holding a provisional concealed carry license to request a standard license upon turning 21 years of age. If issued, the standard license would expire upon the end of the term of the originally issued provisional license. Continuing law requires the Attorney General to issue a standard license to the licensee upon the expiration of the provisional license's term, or renew a standard license, provided the holder continues to be eligible.

The bill requires the Attorney General to notify each person who holds a provisional license, at least 60 days prior to their 21st birthday, so that they could apply for a standard license that could be issued on their 21st birthday.

The bill specifies that the national criminal history records check that each applicant would be subject to will include an inquiry of the National Instant Criminal Background Check System. [*Note:* This provision is related to compliance with U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives regulations.]

Surrender of a Concealed Carry License

The bill requires the holder of a concealed carry license to surrender the physical license card or authorization document to the Division of Vehicles of the Department of Revenue upon the suspension or revocation of the license. Upon receipt by the Division of Vehicles, the license card or authorization document will be destroyed. Upon the conclusion of such suspension, the Attorney General is directed to issue an authorization document for the license to be reissued for the remaining unexpired portion of the term of the license.

The bill permits the Attorney General to impose a fee of up to $250 on any licensee who fails to surrender a license within 30 days after written notification has been sent. The bill requires all fees collected by the Attorney General to be remitted to the State Treasurer, who will deposit the entire amount in the State Treasury and credit the entire amount to the Concealed Handgun Licensure Fund.

Off-duty Officers

Continuing law allows an officer to carry a concealed handgun in any building where an on-duty officer could carry such weapon, regardless of whether the building has restricted the carrying of concealed handguns, pursuant to the Act and provided the officer otherwise complies with conditions listed in the Act.

The bill prohibits, in buildings where an officer may carry a concealed handgun, any person of authority for the building from requiring, requesting, or recording personal information of the officer. That personal information includes, but is not limited to, the officer's:

- Email address;
- Home phone number; or
- Home address.

The bill also prohibits requiring an officer to wear anything identifying the officer's status as a law enforcement officer or as being armed.

RETIREMENT

KPERS—Administrative Appeal Timeline and IRC Regulations; SB 64

SB 64 amends Kansas Public Employees Retirement System (KPERS) statutes. The bill extends the timeline for a KPERS member to request an administrative hearing to appeal a decision made by the KPERS Board of Trustees (Board) without a hearing. The bill updates KPERS statutes to align with federal Internal Revenue Code (IRC) regulations relating to the applicable age for required minimum distribution of pension benefits, recalculation of life expectancy for determining benefits, distributions from a defined contribution or deferred compensation plan, and the addition of a SIMPLE IRA (Savings Incentive Match Plan for Employees Individual Retirement Account) that meets specific rollover requirements to the list of eligible retirement plans.

Extension of Administrative Appeal Timeline

The bill extends the time for a KPERS member to request an administrative hearing to appeal an adverse decision made by the Board without a hearing from 30 days after notice of the order or decision of the Board to 60 days after the notice.

Statutory Alignment with Federal Regulations

The bill amends state statute to align with federal regulations to:

- Reflect the following applicable ages for the required minimum distribution of pensions benefits in IRC § 401(a)(9):
  - 70½ years of age for members born before July 1, 1949;
  - 72 years of age for members born on or after July 1, 1949, but before January 1, 1951;
  - 73 years of age for members born on or after January 1, 1951, but before January 1, 1959; and
  - 75 years of age for members born on or after January 1, 1960 [*Note:* The required minimum age distribution for those born in 1959 does not appear in the bill due to an omission originating at the federal level. If and when this is addressed at the federal level, a future technical bill may update this statute.];
- Provide that the life expectancy of a member, the member's spouse, or the member's beneficiary may not be recalculated after the initial determination for purposes of determining benefit except as allowed in IRC § 401(a)(9) and applicable regulations;
- Require distributions from a defined contribution or defined compensation plan to be made in accordance with the rules under IRC § 401(a)(9) specific to the plans; and

- Add, effective January 1, 2016, a SIMPLE IRA, as described in IRC § 408(p), to the list of eligible retirement plans, provided that the rollover contribution is made after the two-year period described in IRC § 72(t)(6). [*Note:* IRC § 408(p) describes a SIMPLE IRA plan as an employer-sponsored plan under which an employer can make contributions to SIMPLE IRAs established for its employees. The term "SIMPLE IRA" means an IRA to which the only contributions that can be made are contributions under a SIMPLE IRA plan or rollovers or transfers from another SIMPLE IRA.]

SOCIAL SERVICES

Legislative Approval for Public Assistance and I/DD Programs; Senate Sub. for HB 2240

Senate Sub. for HB 2240 prohibits state agencies, on and after July 1, 2025, from seeking or implementing any public assistance program waiver or other authorization from the federal government that would expand eligibility for any public assistance program or would increase any cost to the State. The bill also prohibits making certain changes to services for persons with intellectual or developmental disabilities (I/DD) without the express consent or approval of either the Legislature or the Legislative Coordinating Council (LCC).

Public Assistance Waivers and I/DD Programs

The bill prohibits state agencies, on or after July 1, 2025, from doing the following without Legislative approval:

- Seeking or implementing, at minimum, a Medicaid state plan, any Medicaid state plan amendment, or any state demonstration or waiver pursuant to Section 1115 or 1915 of the federal Social Security Act, if the public assistance waivers or other authorizations from the federal government would increase any cost to the State; or

- Seek or implement any change to the funding structures, day services, or targeted case management (TCM) services for persons with I/DD.

Legislative Approval

The bill requires any approval or consent for said waiver or other authorization or a change to funding structures, day services, or TCM for persons with I/DD to be an act of the Legislature. Should the Legislature not be in session, the bill allows the LCC to approve or refuse a state agency's request for a waiver or other authorization or a change to funding structures, day services, or TCM for persons with I/DD.

The bill also allows for the LCC to designate a standing committee or special committee to review an agency's request and make recommendations to the LCC.

The bill establishes a deadline of 14 calendar days from the LCC's receipt of a state agency's official notification for an approval request by which the LCC or its designated committee must meet to consider and take action on said request.

Definitions

The bill defines the following terms as follows:

- "Public assistance program" means any assistance included in KSA 39-709 for which federal or state moneys or both are expended and currently includes the following programs:

  - Temporary Assistance for Needy Families (TANF);
  - Supplemental Nutrition Assistance Program (SNAP food assistance);
  - Child Care Subsidy Program;
  - Medicaid; and
  - Children's Health Insurance Program (CHIP); and

- "State agency" means any state office or officer, department, board, commission, institution, bureau, or any agency, division, or unit within any office, department, board, commission, or other state authority, or any person requesting a state appropriation.

STATE FINANCES

Appropriations; SB 125

SB 125 contains supplemental funding in FY 2025, funding for most state agencies for FY 2026, and selected adjustments for FY 2027.

FY 2025

The bill adjusts total state expenditures to $27.08 billion, including $10.85 billion from the State General Fund (SGF), in FY 2025. Compared against FY 2024 actual expenditures, the bill increases all fund expenditures by $2.77 billion, or 11.4 percent, and SGF expenditures by $1.48 billion, or 15.8 percent. Compared against the FY 2025 budget approved by the 2024 Legislature, the bill increases all fund expenditures by $1.73 billion, or 6.8 percent, and SGF expenditures by $320.7 million, or 3.0 percent.

Significant SGF Additions to the Approved Budget

- $38.0 million SGF for contract nursing staff at Larned and Osawatomie State Hospitals;
- $10.3 million SGF for debt service on Series 2025A bonds to consolidate debt service payments for three projects approved by the 2024 Legislature–the Kansas Bureau of Investigation (KBI) Forensic Lab in Pittsburg, the Department of Corrections Topeka Central Health and Behavioral Health Support Building, and the Kansas State University Pure Imagination Facility;
- $10.0 million SGF to hire a private vendor for firearm detection software to be used only in public school buildings and for no more than two years;
- $10.0 million SGF to adopt the spring human services caseload estimate upon certification of the State Finance Council;
- $5.8 million SGF for the Bombardier Defense Project; and
- $16.2 million, including $4.8 million SGF, for the Kansas Department for Health and Environment's (KDHE) contract with Gainwell Technologies.

Significant SGF Lapses to the Approved Budget

- $150.5 million SGF for KanCare non-caseloads (HCBS waiver) funds that were reappropriated due to a higher than anticipated federal match;
- $171.1 million, including a deletion of $121.4 million SGF, to adopt fall education consensus numbers;
- $19.7 million SGF in unused funds for the Children’s Health Insurance Program;

- $101.3 million, including a decrease of $21.7 million SGF to adopt the fall human services caseloads estimate;

- $6.9 million SGF in unused funds appropriated for the state employee pay plan in 2024 SB 28; and

- $5.0 million SGF in unused funds appropriated to the Board of Indigents' Defense Services for general operating expenditures.

Significant Non-SGF Additions to the Approved Budget

- $179.4 million from the State Highway Fund (SHF) for modernization, preservation, and local construction of bridges;

- $100.0 million from the Restricted Fee Fund for the 11th and Mississippi capital improvement project at the University of Kansas;

- $65.7 million from federal funds for SUN Bucks, the summer EBT program that provides eligible, school-aged children $120 per summer when school meals are unavailable;

- $71.2 million from federal American Rescue Plan Act (ARPA) funds for the Wichita Biomedical Campus;

- $44.8 million from federal Title XIX funds to adjust Kansas Department for Aging and Disability Services estimated Title XIX funding for Medicaid to reflect the updated FMAP;

- $41.3 million from the Restricted Fee Fund for the Ag Innovation Initiative at Kansas State University;

- $30.0 million from the Health Collaboration account for the Health Science Education Center project at Wichita State University;

- $28.7 million SHF for the construction of District One headquarters in Topeka and the modernization of Kansas Department of Transportation buildings;

- $25.2 million from federal funds to support private financing to small businesses through the State Small Business Credit Initiative;

- $22.4 million from federal ARPA funds for the State Defense Building project for the Adjutant General's Department;

Policy Changes Included in SB 125 for FY 2025

- Language to suspend budget stabilization fund transfers and allow the State Treasurer to invest funds;

- Language to no longer provide continuous eligibility for Medicaid for the parent and caregiver population;

- Language appropriating $3.7 million, including $1.8 million SGF, to the State Finance Council, and language requiring that such funds be released to the Department of Children and Families (DCF) upon the certification by the Secretary of Children and Families that a waiver has been submitted exempting candy and soda from EBT purchases;

- Language extending the sunset date for the surcharge of certain Judicial Branch fees, which are transferred to the SGF, to June 30, 2027; and

- Language prohibiting the Kansas Lottery from expending moneys to negotiate or to enter into any contract or extension of an existing contract or renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager.

FY 2026

The bill provides for state expenditures totaling $25.60 billion, including $10.64 billion SGF, for FY 2026. Compared against FY 2025 recommended expenditures, the bill decreases all fund expenditures by $1.47 billion, or 5.4 percent, and SGF expenditures by $210.5 million, or 1.9 percent.

Significant SGF Additions

- $106.3 million, including $40.0 million SGF, to provide salary adjustments to state employees based on the Department of Administration Market Survey, as follows:
    - Employees that are under market pay by 10.0 percent or more would receive either an increase to bring salaries to 10.0 percent under market pay or a 2.5 percent increase, whichever is greater;
    - Employees that are under market by less than 10.0 percent and employees that are over market by 10.0 percent or less would receive a 2.5 percent increase if classified;
    - Employees that are over market by more than 10.0 percent would receive a 1.0 percent increase;
    - Employees not reflected in the Market Survey would receive a 2.5 percent increase;
    - All unclassified employees with job classifications that are not included in the Market Survey will be compensated via a merit pool;

- Executive Branch agencies, Legislative Branch agencies, the Judicial Branch, and universities will receive a sum equivalent of the total of 2.5 percent of the salaries of all benefits-eligible unclassified employees in such agency, to be distributed as a merit pool; and
- The following employees are excluded from these provisions:
  - Judges and justices;
  - Statewide elected officials;
  - Legislators;
  - Teachers and licensed personnel of the Kansas State Schools for the Blind and Deaf;
  - Part-time, non-benefits eligible employees; and
  - Employees on a formal, written career progression plan that are not otherwise named in these adjustments;

- $75.5 million, including $29.3 million SGF, for an add-on payment to nursing facilities of $20 per day, based on the number of Medicaid residents;

- $14.3 million SGF for the Two Year College apprenticeship account, with language to allocate funding to designated schools;

- $12.0 million SGF for the Regional Growth and Development Initiative, including $3.8 million SGF for Pittsburg State University, $3.8 million SGF for Emporia State University and $4.4 million for Fort Hays State University;

- $10.5 million SGF for Two Year Colleges Student Success Initiatives, with language to distribute funds to designated schools;

- $30.2 million, including $13.2 million transferred from APEX funds, $5.0 million transferred from ARPA interest funds, $5.0 million from the State Water Plan Fund, and $7.0 million SGF for the Kansas Campus Restoration Fund;

- $10.0 million SGF for hospitals providing inpatient behavioral health services for adults;

- $10.0 million SGF for additional Special Education State Aid funding, for a total of $611.0 million for Special Education State Aid. This is also included for FY 2027 as maintenance of effort funding;

- $7.0 million SGF for the Technical Colleges operating grant;

- $5.8 million SGF for National Institute for Student Success (NISS) playbooks at state institutions and Washburn University;

- $16.7 million, including $5.0 million SGF, for the KDHE's contract with Gainwell Technologies;

- $5.0 million SGF for Career Technical Education capital outlay aid, with language to allocating funding to designated schools;

- $5.0 million SGF for Aviation Research at Wichita State University;

- $12.4 million, including $4.8 million SGF, to fully rebase nursing facility reimbursement rates; and

- $4.1 million SGF to adopt GBA No.1, Item 2, to be released to the Department of Corrections upon certification by the Secretary of Corrections that an increase to entry level correctional officer pay differentials at Lansing Correctional Facility is necessary.

Significant SGF Deletions

- $10.0 million SGF for the Kansas Blueprint for Literacy;

- $11.6 million, including $7.3 million SGF, to lapse 1.5 percent of state operations funded from the SGF and SHF. This includes expenditures for salaries and wages, contractual services, commodities, and capital outlay only. The following agencies are exempt from this provision:
    - Judicial and Legislative branch agencies;
    - Correctional facilities;
    - Kansas Sentencing Commission;
    - KBI;
    - Office of the Attorney General;
    - Kansas Highway Patrol;
    - State hospitals;
    - Veterans and soldiers homes; and
    - State Board of Regents institutions; and

- $5.0 million SGF from the cooperative extension operating account for the KSU 105 project.

Significant Non-SGF Additions

- $4.0 million from ARPA interest to provide a grant to an airport for technology, tower upgrades, vertiport, heliport, and office space to attract e-aviation unmanned aircraft systems testing or manufacturing to Kansas, with language to transfer the funds;

- Language authorizing bonding authority of $128.0 million, with language requiring an additional $2.0 million from private funds for the construction of a veterinary diagnostic laboratory on the Manhattan campus; and

- Language authorizing bonding authority of $80.0 million for a new KBI headquarters in downtown Topeka.

State Water Plan Fund (SWPF) Additions

- $2.0 million SWPF for streambank stabilization projects;
- $2.6 million SWPF for irrigation technology;
- $5.3 million SWPF for conservation district aid;
- $3.1 million SWPF for contamination remediation;
- $2.0 million SWPF for high plains aquifer partnerships; and
- Language allowing the Secretary of Agriculture to transfer funding between lines of appropriation of the SWPF.

Economic Development Initiatives Fund (EDIF) Adjustments

- An additional $1.5 million EDIF for a talent grant fund; and
- A deletion of $1.5 million EDIF for the "Love, KS" marketing campaign.

Policy Changes Included in SB 125 for FY 2026:

- Language directing the Department of Administration to certify that state agencies have eliminated Diversity, Equity, and Inclusion (DEI) positions, policies, programs, and related grants or contracts;

- Language to authorize the Kansas Developmental Finance Authority to issue STAR Bonds for any STAR Bond project;

- Language directing the Kansas Legislative Research Department and the Office of the Revisor of Statutes to identify money for services to K-12 students at public schools and include this information in the review of education caseload estimates;

- Language to update the definition of "temporarily unemployed" to include individuals covered by a collective bargaining agreement that have been laid off from full-time work and reasonably expect to resume full-time work within six months. Such individuals would be exempt from enrolling in My Reemployment Plan, and unemployment benefits would be limited to eight weeks;

- Language to no longer provide continuous eligibility for Medicaid for parents and caregivers;

- Language directing the State Department of Education to expend $2.0 million from existing resources to issue a RFP for a supplemental American history online curriculum;

- Language to allow the State Treasurer to invest Budget Stabilization Funds;

- Language to lapse funding associated with the salaries and wages of vacant positions at the end of the fiscal year;

- Language to require that critical access hospitals and rural emergency hospitals pay the provider assessment in the Health Care Access Improvement Program as long as they have annual revenues that are above the threshold established by the Health Care Access Improvement Panel;

- Language prohibiting the Kansas Lottery from expending moneys to negotiate or to enter into any contract or extension of an existing contract or renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager; and

- Language prohibiting Larned State Hospital from using contract agency nursing staff for FY 2027.

Technical College Operating Grant; HB 2195

HB 2195 creates the Kansas Technical College Operating Grant Fund (Fund) within the State Treasury.

The bill requires that the Fund be administered by the State Board of Regents and that all expenditures from the Fund be for instruction and operations to meet target objectives established by the Postsecondary Technical Education Authority.

The bill is in effect upon publication in the *Kansas Register*.

STATE GOVERNMENT

Antisemitism; SB 44

SB 44 declares that antisemitism and antisemitic acts are against the public policy of the state, including, but not limited to, the purposes of public educational institutions and law enforcement agencies.

The bill defines "antisemitism" or "antisemitic" to mean the same as defined by the International Holocaust Remembrance Alliance's (IHRA) working definition of antisemitism, including the following contemporary examples, as in effect on May 26, 2016:

- Encouraging, supporting, praising, participating in, or threatening violence or vandalism against Jewish people or property;

- Wearing masks to conceal a person's identity with the intent to harass or discriminate against Jewish students, faculty, or employees on school property; and

- Incorporating or allowing funding of antisemitic curriculum or activities in any domestic or study abroad programs or classes.

The bill also states that the provisions of the bill should not be construed to diminish or infringe upon any right protected under the First Amendment of the *U.S. Constitution* or the Bill of Rights of the *Kansas Constitution*.

Travel and Tourism Council and Grants; HB 2037

HB 2037 makes changes to the membership of the Council on Travel and Tourism (Council) and a tourism matching grant program (Program).

Council on Travel and Tourism

The bill expands the Council from 17 to 20 members by adding 3 members to be appointed by the Governor representing the National Independent Venue Association, the Kansas Museums Association, and the Kansas Sampler Foundation.

The appointment must be from a list of three individuals submitted by the organization. The nominees of the National Independent Venue Association must be Kansas residents.

Tourism Matching Grant Program

The bill removes a requirement that 75 percent of grants made under the Program be allocated to public or not-for-profit entities and removes the individual entity grant allocation limit of 20 percent.

Board of Regents Property Authorization; HB 2120

HB 2120 authorizes the State Board of Regents, on behalf of Kansas State University (KSU) and the KSU Veterinary Medical Center (VCM), to sell certain real property parcels in Manhattan, Kansas, and Omaha, Nebraska. The legal description for each parcel is provided in the bill.

The bill conveys the rights, title, and interest in the real property, to be executed in the name of the State Board of Regents by its Chairperson and Executive Officer. The conveyance would be prohibited until the deeds, titles, and conveyances have been reviewed and approved by the Attorney General.

The bill also provides that if the State Board of Regents determines the legal description of the real estate described in the bill is incorrect, then the conveyance may include the correct legal description. However, the bill requires the deed conveying the property to be approved by the Attorney General.

The bill states that KSU and KSU VCM would retain all proceeds from the sales of the property and would no longer incur costs to maintain the property. All proceeds from the sales are credited to the Restricted Fee Funds of KSU and KSU VCM and will be exempted from state surplus property requirements.

Filing Public Land Survey Reports; HB 2168

HB 2168 extends the time for land surveyors to file certain public land survey reports with the Secretary of the State Historical Society from 30 days to 90 days.

This extension applies to reference reports of each public land survey corner or any related accessory, and to restoration reports that are required after a public land surveyor replaces a survey corner with a survey monument. The bill requires reference reports to be filed within 90 days of the date the references are made and restoration reports to be filed within 90 days after the activity is completed.

The bill also allows a county commission to designate a county office in which to file the public land survey reference report if there is no county surveyor or engineer.

Criminal History Record Checks for Certain State Employees and Authorized Release of Certain Criminal History Records; HB 2342

HB 2342 authorizes the Secretary of Commerce to request the Kansas Bureau of Investigation (KBI) conduct a state and national criminal history record check on any final applicant for, or an employee in, a sensitive position within the Department of Commerce and requires the Secretary of Labor to conduct state and national criminal history record checks on employees who have access to federal tax information received directly from the Internal Revenue Service (IRS).

The bill also amends law in the Kansas Code of Criminal Procedure concerning how non-criminal justice agencies may conduct state and national criminal history record checks and what criminal history record information (CHRI) must be released to such agencies with respect to certain employees and applicants for employment, licensure, or certification.

The bill becomes effective upon publication in the *Kansas Register*.

Criminal History Record Checks

Secretary of Commerce

The Secretary of Commerce is authorized to use information from a background check in the determination of applicants for, or employees in, sensitive positions. This determination is required to be in the Secretary's discretion except for a minimum standard requiring that a person in such a position have no misdemeanor conviction for any crime involving theft, fraud, forgery, or other financial crime or any felony conviction.

The bill defines "final applicant" to mean an applicant for a sensitive position with the Department of Commerce that the Secretary has determined is among a select group of applicants most qualified for the sensitive position and to whom the Secretary intends to give final consideration for an employment offer.

The bill also defines "sensitive position" to mean an employee in:

- The positions of division, director, assistant secretary, deputy secretary, information technology manager, and chief counsel;
- Grant or loan program manager positions directly involved with accounting or disbursement of funds; and
- Any position determined by the Secretary of Commerce to involve significant financial management responsibilities; the collection or maintenance of, or access to, confidential personal or business information; or a significant risk of fraud or financial liability to the Department of Commerce.

Secretary of Labor

The bill requires the Secretary of Labor to conduct state and national criminal history record checks on employees who have access to federal tax information received directly from the IRS. Such criminal record checks require fingerprinting of the employee.

Criminal History Record Information to be Released to Certain Agencies

The bill directs the KBI to release certain types of CHRI of applicants and employees associated with the agencies specified below.

Office of Attorney General

The bill requires the KBI to release CHRI related to adult convictions, adult non-convictions, adult diversions, adult expunged records, juvenile adjudications, juvenile non-

adjudications, juvenile diversions, and juvenile expunged records to the Attorney General for the following persons applying to become licensed or certified in Kansas:

- Persons applying for a private detective or private detective agency [*Note:* Current law requires adult convictions, adult non-convictions, adult diversions, and adult expunged records to be released for these persons];

- Persons applying for a license to carry a concealed handgun [*Note:* Current law requires adult convictions, adult non-convictions, adult diversions, adult expunged records, juvenile adjudications, juvenile non-adjudications, and juvenile diversions to be released for these persons];

- Persons applying to become certified to train private detectives in the handling of firearms and the lawful use of force [*Note:* Current law requires adult convictions, adult non-convictions, adult diversions, and adult expunged records to be released for these persons]; and

- Persons applying for a bail enforcement agent license [*Note:* Current law requires adult convictions to be released for these persons].

State Gaming Agency

The bill requires the KBI to release CHRI related to adult convictions, adult non-convictions, adult diversions, adult expunged records, juvenile adjudications, juvenile non-adjudications, and juvenile diversions to the State Gaming Agency (SGA) for candidates for employment with the SGA or persons applying for tribal gaming licensure pursuant to a tribal-state gaming compact. Under current law, the SGA is authorized to receive CHRI related only to adult convictions, non-convictions, diversions, and expunged records.

Department of Labor

The bill requires the KBI to release CHRI related to adult convictions, adult non-convictions, adult diversions, and juvenile adjudications to the Secretary of Labor for employees who have been or will be granted access to federal tax information received directly from the IRS.

Department of Commerce

The bill requires the KBI to release CHRI related to adult convictions, adult non-convictions, adult diversions, and adult expunged records to the Secretary of Commerce for final applicants for, or employees in, a sensitive position.

Office of the State Bank Commissioner

The bill makes conforming amendments to law to reflect the type of CHRI that must be released by the KBI with respect to certain employees and applicants associated with the State Bank Commissioner under continuing law.

TAXATION

State Mill Levy Elimination and SGF Transfers to State Building Funds; SB 35

SB 35 eliminates, beginning in tax year 2026, the statewide mill levies of 1.0 mills for state educational buildings and 0.5 mills for state institutions buildings and creates, beginning in fiscal year 2027, demand transfers from the State General Fund (SGF) to the Kansas Educational Building Fund (EBF) and to the State Institutions Building Fund (SIBF).

The FY 2027 transfer to the EBF will be $56.0 million and will be adjusted in future years to reflect the average percentage change in taxable value of all property in the state for the preceding 10 years.

The FY 2027 transfer to the SIBF will be $25.0 million and will be increased by $500,000 in each future year.

Tax Credits for the Preservation of Historic Structures; SB 227

SB 227 increases tax credit amounts allowed for preservation of historic structures and makes changes to the conditions under which different credit amounts are allowed.

Under continuing law, credits are equal to a percentage of qualified expenditures for the preservation or renovation of a historic structure, in an amount determined by the level of investment and the location or type of project.

The bill authorizes credits as follows:

- 25 percent for a project in a city with a population of more than 50,000 and qualified expenditures of at least $5,000 and less than $50,000; and

- 40 percent for a project:

  - In a city with a population of more than 50,000 and qualified expenditures exceeding $50,000;
  - In a city, township, or unincorporated area with a population of less than or equal to 50,000 and at least $5,000 in qualified expenditures; or
  - With at least $5,000 in qualified expenditures if the structure does not produce income and is exempt from federal income tax pursuant to section 501(c)(3) of the federal Internal Revenue Code.

[*Note*: Previous law authorized credits in amounts of 25, 30, or 40 percent, depending on the project. The bill increases the credit amount for tax-exempt structures from 25 to 40 percent and restructures other conditions and corresponding credit amounts.]

The bill also authorizes the Department of Revenue, before the issuance of credits under the bill, to verify that the taxpayer does not owe any delinquent income, privilege, premium, sales, or compensating use taxes, or interest, additions, or penalties on such taxes, to the State. In case of such outstanding liability, the bill requires that the amount of any credits issued to the

taxpayer be reduced by such amounts owed to the State. Once issued, credits are not subject to reduction, recapture, disallowance, or voidability.

Income and Privilege Tax Rate Reduction Formula; SB 269

SB 269 provides for reduction in state income and privilege tax rates contingent upon the balance of the Budget Stabilization Fund and growth in the State General Fund (SGF) receipts from income and privilege taxes in excess of the FY 2024 amount, adjusted for inflation.

The bill requires the Director of the Budget to annually determine, in consultation with the Director of Legislative Research, whether the preceding fiscal year's total SGF income and privilege tax receipts exceed the 2024 amount, as adjusted for inflation.

The inflation adjustment is to be determined by subtracting the FY 2024 SGF income and privilege tax revenues multiplied by the 12-month average of the consumer price index for all urban consumers for the preceding fiscal year in excess of the 12-month average of the consumer price index for FY 2024. The bill requires the determination to be made by August 15 each year, beginning in 2025. If such receipts are in excess of the inflation-adjusted 2024 amount, the Director of the Budget is required to certify the excess amount to the Secretary of Revenue.

The Secretary of Revenue, upon receipt of such certification, is required to calculate and publish reductions to income and privilege tax rates as provided by the bill and is required to provide for reductions in tax rates to the nearest 0.01 percent resulting in expected reduced revenue approximately equal to the amount certified by the Director of the Budget.

Individual income tax rates are to be reduced first, with both tax rates being reduced proportionally until the lower bracket reaches 4.0 percent, at which time only upper bracket rates are to be reduced until the upper bracket rate reaches 4.0 percent.

Upon individual rates reaching 4.0 percent, rate reductions to the surtax rate for corporations and the normal tax rates for financial institutions will commence in corresponding amounts. Such reductions are to continue until the combined normal tax and surtax for corporations reaches 4.0 percent, the combined normal tax and surtax for banks reaches 2.6 percent, and the combined normal tax and surtax for trust companies and savings and loan associations reaches 2.62 percent.

The bill provides that the certification by the Director of the Budget and corresponding rate reductions shall not occur in years in which the amount of moneys in the Budget Stabilization Fund is less than 15 percent of the prior fiscal year's SGF tax revenues.

In all cases, the reduced rates are to remain in effect until further reduced by the provisions of the bill.

TRANSPORTATION AND MOTOR VEHICLES

Hunter Nation License Plate; SB 18

SB 18 authorizes issuance of the Hunter Nation distinctive license plate on and after January 1, 2026, for use on a passenger vehicle or truck registered for a gross weight of 20,000 pounds or less.

The bill establishes the procedures for a vehicle owner or lessee to obtain the license plate and the responsibilities of Hunter Nation, Inc., with regard to the license plate. The bill allows Hunter Nation, Inc., to set the royalty for use of its logo for each license plate at an amount of no less than $25 or more than $100, to be paid at initial issuance and renewal.

The bill authorizes the Director of Vehicles, Kansas Department of Revenue, to transfer a Hunter National license plate from a leased vehicle to a purchased vehicle.

Trailer Dealer Exceptions to Vehicle Dealer Requirements; HB 2030

HB 2030 exempts dealers and manufacturers of trailers from specified provisions of the Vehicle Dealers and Manufacturers Licensing Act. The exemptions do not apply to dealers and manufacturers of semitrailers or travel trailers or to a dealer in the sale or exchange of any type of vehicle other than trailers.

The provisions from which the non-exempt trailer dealers and manufacturers are exempted deal with termination of a franchise agreement, correction of warranty defects, change of ownership of a dealership, liability for defects, location of dealerships, disputes between dealers and manufacturers, the definition of “delivery” of a vehicle, and manufacturer requirements of dealers regarding facilities and signs.

Driving Instructor Licensure; HB 2031

HB 2031 allows a driving school or motorcycle instructor who meets other requirements in continuing law to hold a valid driver’s license from any state, not solely a Kansas license as in current law. The bill also requires a motorcycle instructor to hold a class M driver’s license or motorcycle license equivalent from another state to instruct in Kansas.

Truck or Truck Tractor Registration Fee Installments and Electric and Hybrid Vehicle Registration Fees; HB 2122

HB 2122 amends law regarding registration fees of trucks, truck tractors, and electric and hybrid vehicles.

Truck Registration

The bill increases from $100 to $300 the threshold at which the owner of a truck or truck tractor could make registration fee payments in equal quarterly installments. The bill also removes provisions that deem a registration installment payment not delinquent until the owner

has failed to pay any two quarterly payment installments during the year; a quarterly payment is delinquent if it is more than ten days beyond its due date.

Under continuing law, the entire balance plus a 10.0 percent penalty is due and payable, unless the Director of Vehicles, Kansas Department of Revenue (KDOR), determines such delinquency is not due to negligence or intentional disregard. Continuing law provides procedures for a lien on the vehicle or vehicles for delinquent registration payments. Under continuing law, these provisions do not apply to vehicles registered on an apportioned basis as part of a fleet.

Electric and Hybrid Vehicle Registration Fees

The bill increases the annual license fees paid at vehicle registration of electric vehicles (EVs) and plug-in electric hybrid vehicles and establishes license fees for all-electric motorcycles and electric trucks and truck tractors with gross weights of 12,000 pounds or less, effective January 1, 2026.

The bill also directs that the fees collected from these annual license fees be remitted to the State Highway Fund and the Special City and County Highway Fund, to be apportioned and distributed as for motor fuel tax.

The bill increases these vehicle registration fees:

- Electric hybrid vehicles, from $50 to $70;
- Plug-in electric hybrid vehicles, from $50 to $100; and
- All-electric vehicles, from $100 to $165.

The bill also creates three new categories of annual license fees:

- All-electric motorcycles, $30;
- Electric hybrid or plug-in electric hybrid truck or truck tractor with a gross weight of 12,000 pounds or less, $125; and
- All-electric truck or truck tractor with a gross weight of 12,000 pounds or less, $200.

The bill directs these fees to be divided between the State Highway Fund and Special City and County Highway Fund as motor fuel taxes are divided in continuing law. Continuing law directs 66.7 percent to the State Highway Fund and 33.63 percent to the Special City and County Highway Fund. Of the fees remitted to the Special City and County Highway Fund, continuing law directs 57.0 percent to counties and 43.0 percent to cities.

Distinctive License Plates, Specialized License Plates to Military Veterans, and License Plate Issuance; HB 2201

HB 2201 authorizes issuance of three new license plates on and after January 1, 2026, amends certain requirements for the issuance of certain specialized plates to military veterans, and amends law regarding personalized license plates and decals on license plates.

Distinctive License Plates

The bill authorizes issuance of the following distinctive license plates:

- Kansas FFA Foundation, with royalty fees of $25–$100, as set by the organization, to benefit the foundation;

- Route 66 Association of Kansas (Route 66), with royalty fees of $25–$100, as set by the association, to benefit the association; and

- Blackout-style. The $50 fee for this license plate is directed to pay costs associated with replacing license plates when the lifespan of such license plates has been exhausted, as determined by the Director of Vehicles (Director), Kansas Department of Revenue.

The bill authorizes each of these distinctive license plates to be issued to a vehicle owner or lessee for use on a passenger vehicle or truck registered for a gross weight of no more than 20,000 pounds, and authorizes the Director to transfer each of these types of plates from a leased vehicle to a purchased vehicle.

The bill establishes procedures for a vehicle owner or lessee to obtain the license plate and the responsibilities of the Kansas FFA Foundation and the Route 66 Association of Kansas with regard to those license fees.

Issuance of Certain Specialized License Plates to Military Veterans

These provisions of the bill apply to a license plate available to members or veterans of all branches of the U.S. military and the Merchant Marines (all-branch plate) and to license plates specific to the branch of service: Army, Navy, Marine Corps, Air Force, Coast Guard, and Space Force.

The bill authorizes issuance of these specialized license plates to U.S. military veterans who were released or discharged under a general discharge under honorable conditions, as well as to those who received an honorable discharge as in continuing law, and it amends provisions regarding proof of military service to clarify the acceptable forms of proof.

The bill amends the statute establishing the all-branch plate to require, rather than allow, proof of veteran military status to be shown by presentation of a Kansas driver's license with a "VETERAN" designation (as allowed in continuing law) or a copy of the veteran's DD form 214, NGB form 22, or an equivalent discharge document as permitted by the Director showing character of service as honorable or general under honorable conditions.

The bill amends statutes for license plates specific to a branch of military service to remove references to proof of service, as authorized in rules and regulations of the Secretary of Revenue, and to reference the requirements in the statute establishing the all-branch license plate. The bill also replaces "was honorably discharged" with "under an honorable discharge or general discharge under honorable conditions" in the statutes authorizing specific-branch military license plates.

Number of Personalized License Plates Issued

The bill authorizes issuance of one, rather than two, personalized license plates and eliminates the requirement that an application for a personalized license plate be made no less than 60 days prior to the vehicle registration renewal date.

Decal Requirements on License Plates

The bill removes requirements that a decal affixed to a license plate that indicates the registration expiration year and license plate number also include the letters of the county in which the vehicle is registered. [*Note:* Continuing law requires placement of the county abbreviation on the license plate.]

The bill also removes language regarding furnishing license plate registration and registration decals to the counties and authorizes direct shipping to the customer for any digitally fulfilled license plate order.

Commemorative Designations of Transportation Infrastructure; HB 2263

HB 2263 makes five commemorative designations of transportation infrastructure.

Highway and Bridge Designations

The bill makes the following designations:

- A future interchange on K-10 at Lawrence as the Kris Norton Memorial Interchange. According to testimony, Mr. Norton, an engineer with the Kansas Department of Transportation for 33 years, worked on projects in 86 Kansas counties, including the South Lawrence Trafficway portion of K-10 and the design of this interchange;

- A portion of US-77 in Geary and Riley counties as the POW MIA Memorial Highway. According to testimony, 1,179 Kansans remain missing or unaccounted for from World Wars I and II, the Korean War, and the Vietnam War;

- Bridge No. 82-14-6.88 (026) in Clay County as the POW MIA Memorial Bridge;

- A portion of US-160 in Sumner County as the CPL Monte Wayne Forrest Memorial Highway. According to testimony, CPL Forrest died in military action in

Vietnam in 1970 and was posthumously awarded the Silver Star and the Purple Heart; and

- A portion of K-5 as the Rep Marvin S Robinson Memorial Highway. According to testimony, Representative Robinson was noted for his community involvement including in the preservation of the Quindaro ruins in Wyandotte County near this portion of highway. The bill also redesignates a portion of the Harry Darby Memorial Highway on I-635.

UTILITIES

Electric Transmission Line Siting Application Deadline; HB 2040

HB 2040 extends the deadline for the Kansas Corporation Commission to issue a final order for an electric transmission line siting application from 120 days to 180 days after the date the application is filed.

The bill takes effect upon publication in the *Kansas Register*.

Critical Infrastructure Facility Trespass; HB 2061

HB 2061 amends the definition of "critical infrastructure facility" as it relates to the crimes of trespassing on a critical infrastructure facility and criminal damage to a critical infrastructure facility in the Kansas Criminal Code.

The bill expands the definition of a critical infrastructure facility, when the facility is used for wireline, broadband, or wireless telecommunications or video services infrastructure, to include any aboveground or belowground line, cable, or wire.

Additionally, the bill specifies that the term includes:

- Antennas, radio transceivers, towers, wireless support structures, small cell facilities, and any associated support structures and accessory equipment; and

- Related equipment buildings, cabinets and storage sheds, shelters, or similar structures.

Wildfire-related Claims Against a Utility; HB 2107

HB 2107 establishes a two-year statute of limitations for wildfire-related claims against an electric public utility, authorizes the recovery of certain damages, limits the recovery of punitive damages, requires the Kansas Corporation Commission (KCC) to convene a workshop on wildfire risks and utility mitigation efforts, and authorizes the KCC to open a general investigation or convene additional workshops to further assess wildfire risk and mitigation.

Definitions

The bill defines "fire event" to mean an uncontrolled or unplanned fire in the state alleged to have been caused by an electric public utility.

The bill defines "fire claim" to mean any claim, whether based on negligence, nuisance, trespass, or any other claim for relief, brought by a person against an electric public utility in a civil action to recover for damages resulting from a fire event.

Statute of Limitations

The bill establishes a two-year statute of limitations on fire claims, beginning on the date of the damage from the fire event. The bill establishes, if the fact of injury is not reasonably ascertainable until some time after the initial act, the period of limitation will not commence until the fact of injury becomes reasonably ascertainable to the injured party, except that in no event will an action be commenced more than ten years beyond the fire event.

Recovery of Damages

The bill establishes the burden of proof for fire claims to require a preponderance of evidence. [*Note:* A preponderance of evidence is the standard burden of proof used in negligence cases.] A plaintiff is permitted to recover economic and non-economic damages to compensate for any such loss.

The bill limits punitive damages awarded under a fire claim to not exceed $5.0 million.

Kansas Corporation Commission

The bill also requires the KCC to convene a workshop to assess wildfire risk and mitigation on or before July 31, 2026. The workshop is required to provide a forum for the presentation and discussion of the following information:

- General wildfire risks in Kansas;
- Utility readiness to mitigate wildfire risks;
- Risk mitigation strategies and approaches; and
- Cost recovery treatment for wildlife mitigation costs, including investments and expenses.

The bill authorizes the KCC to open a general investigation or convene additional workshops to further assess utility wildfire risk and mitigation, if determined to be necessary.

Law Enforcement Utility Pole Attachments; HB 2109

HB 2109 exempts a public utility from civil liability relating to the attachment, access, operation, maintenance, or removal of law enforcement equipment on any utility pole or other structure that is owned or operated by the public utility, if the civil action is based upon or arises from an authorization or agreement between the public utility and law enforcement for placement of the equipment.

The bill defines the following terms for this purpose:

- “Law enforcement agency” means a city police department, a county sheriff’s department, or a county police department; and

- “Public utility” means any public utility as defined in law, municipally owned or operated public utility, or electric cooperative public utility.

Distributed Energy and Parallel Generation; Sub. for HB 2149

Sub. for HB 2149 establishes consumer protections for distributed energy customers and amends law related to parallel generation service contracts and net metering, including removing renewable generator capacity limits, permitting the use of locational marginal pricing, establishing a formula for determining the appropriate size for electrical loads, and establishing the customer's right to repair. The bill takes effect upon publication in the *Kansas Register*.

Definitions (New Section 1)

The bill defines the following terms for the new sections of law regarding distributed energy:

- "Distributed energy customer" (customer) means a property owner of a single-family dwelling or multi-family dwelling of two units or fewer and who is offered a contract from a distributed energy retailer for the construction, installation, or operation of a distributed energy system that is primarily intended to offset the energy consumption of a single-family or multi-family dwelling;

- "Distributed energy retailer" (retailer) means any person or entity that sells, markets, solicits, advertises, finances, installs, or otherwise makes available for purchase a distributed energy system in the state of Kansas;

- "Distributed energy system" (system) means any device or assembly of devices and supporting facilities that is capable of feeding excess electrical power generated by a customer's energy producing system into the utility's system such that all energy output and all other services will be fully consumed by the distributed energy customer or the utility and that is or will be subject to an agreement under state law or a net metering tariff that was voluntarily established by a utility;

  [*Note:* A residential solar panel system that is interconnected with the electric grid is an example of such a system.]

- "Permission to operate" is defined as it is in continuing law regarding parallel generation services; and

- "Utility" means an electric public utility, as defined in law; any cooperative, as defined in law; an electric utility owned by one or more such cooperatives; a non-stock member-owned electric cooperative corporation incorporated in Kansas; or a municipally owned or operated electric utility.

Consumer Protections (New Section 1)

The bill prohibits any person or entity required to register with the Secretary of State pursuant to the Business Entity Standard Treatment Act from engaging in the business or act in the capacity of a distributed energy retailer within Kansas unless the person or entity is registered with the Secretary of State, in good standing, and authorized to conduct business in Kansas.

Retailer Disclosures

The bill requires a retailer, prior to entering into a contract with a customer for a distributed energy system, to provide each customer with a separate disclosure document that:

- Is written in at least 10-point font;
- Is written in the language that the retailer used to speak to the customer during the sales process or the language requested by the customer;
- Includes a description of the make and model of the system's major components and the expected useful life of the system;
- Includes a guarantee concerning the quantity of energy that the system will generate on a measurable interval and a remedy if the system does not comply with the guarantee within one year following the date the system received permission to operate;
- Does not contain blank spaces that may be subsequently filled in with terms or conditions that materially affect the timing, value, or obligation of the contract unless the terms and conditions are separately acknowledged in writing by the customer;
- Includes, in bold font and highlighted type, the total aggregate cost to the customer that would be incurred over the entirety of the contract. The total aggregate cost must be separately acknowledged in writing by the customer;
- Includes a description of the ownership and transferability of any tax credits, rebates, incentives, or renewable energy certificates in connection with the system;
- Includes the name and certification number of the individual certified by the North American Board of Certified Energy Practitioners who would oversee the permitting and installation of the system or the name and license number of the master electrician or electrical contractor who would oversee the permitting and installation of the system;
- Provides a description of the process and all associated fees for transferring any financing, warranty, or other agreements relating to the system to a new owner;
- Includes the name, phone number, email, and mailing address of the person or entity that the customer may contact for questions regarding performance, maintenance, or repair of the system;
- Includes a description of the assumptions used for any savings estimates that were provided to the customer and a description of the applicable utility billing structure that pertains to the system. The descriptions and assumptions must

include the same provisions as outlined in the standard form published by the Attorney General;

- Includes a statement that the retailer will provide the customer proof that, within 30 days of completion of installation:
  - All permits required for the installation of the system were obtained prior to installation, if applicable;
  - The system was inspected and approved by a qualified individual pursuant to the requirements of any local municipal ordinance or county resolution;
  - The necessary interconnection applications and documentation were submitted to and approved by the affected utility; and
  - The system received permission to operate;
- Includes a statement that any recurring payments for a system will pause and not be due if the system does not receive permission to operate within 90 days of the date that the first recurring payment is due. The recurring payments can resume when the system receives permission to operate. Any payments due during any pause are either to be forgiven or added to the end of the financing term and will not incur any penalties for non-payment during the term;
- Includes a statement describing any rate escalation, balloon payment, or potential reconfiguration of payment structure;
- Includes a statement as to whether operations or maintenance services are included as part of the original contract price and whether the costs to remove, reinstall, and repair the system are included as part of the original contract price should the system need to be removed, reinstalled, or repaired due to natural causes or due to any exterior repair, replacement, construction, or reconstruction work on the premises;
- Includes a statement describing the expected start and completion dates for the installation of the system;
- Includes a statement indicating whether any warranty or maintenance obligations related to the system could be transferred by the retailer to a third party and, if so, a statement that provides:

  > "The maintenance and repair obligations under your contract may be assigned or transferred without your consent to a third party who, if required pursuant to state law, shall be registered with the Secretary of State, in good standing and authorized to conduct business in the state and bound to all terms of the contract. If a transfer occurs, you will be notified in writing of any change to the name, mailing address, email, or phone number to use for questions and payments or to request system maintenance or repair";

- Includes a statement indicating whether the retailer would place a lien, notice, or other filing on or against real property as a result of the contract;

- Includes a statement, in bold font and highlighted type, indicating whether the retailer will impose any fees or other costs upon the customer. If any fees or other costs will be charged to the customer, the aggregate total of the fees and other costs must be provided and separately acknowledged in writing by the customer;

- Includes a statement in capital letters and bold font and highlighted type that states:

  "[name of retailer] is not affiliated with any utility company or governmental agency and shall not claim any such affiliation"; and

- Could include any additional information that the retailer considers appropriate, only if such additional information is not intended to conceal or obscure the disclosures required pursuant to this section.

The bill requires the disclosure statement to be signed and dated by the customer at least one calendar day after the date that the contract for the system was executed.

Violations

The bill requires that any person or entity that violates the disclosure provisions or any retailer that fails to provide and perform the disclosures in the form and manner required pursuant to this section or that makes a materially misleading statement as part of, or when presenting, the disclosures will be liable for a civil penalty in an amount not to exceed $10,000 for each violation.

The violator is liable to the aggrieved person or customer, or to the State, for repayment of the civil penalty. The civil penalty is recoverable in an action brought by the aggrieved person or customer or the Attorney General, county attorney, or district attorney. Any civil penalty is in addition to any other relief, which could be granted pursuant to any other remedy available in law or equity.

If a retailer fails to comply with this section, any contract entered into between the retailer and the customer that pertains to the system will be deemed null and void.

This section does not apply to a transaction of real property on which a system is already located.

This section takes effect on July 1, 2025.

Utility Disclosures (New Section 2)

To allow a distributed energy retailer to provide informed and accurate information to the customer, the bill requires a utility, upon the request of any distributed energy retailer, to disclose all applications, rules, service standards, forms, or other documents required for

interconnection of a system pursuant to law or a net metering tariff that was voluntarily established by a utility, including the utility's historic amount of compensation per kilowatt-hour for interconnected systems and the current compensation amount for those systems. The historic amount of compensation must be provided in a dollar amount and shown on a monthly or similar billing period basis for not less than the preceding five years.

This section takes effect on July 1, 2025.

Standard Disclosure Form (New Section 3)

The bill requires the Attorney General to appoint and convene an advisory group to collectively develop, approve, and periodically revise a standard form that could be used by distributed energy retailers to perform and provide the required disclosures. The advisory group consists of the following:

- The Attorney General or designee;
- Representatives from interested groups, including representatives of distributed energy retailers and utilities;
- One or more members of the general public who own residential property in Kansas;
- One or more Assistant Attorneys General; and
- Any other members the Attorney General considers necessary or appropriate.

The bill requires the Attorney General to publish on the Attorney General's website, on or before July 1, 2025, the most current version of the standard form that is developed and approved by the advisory group.

Parallel Generation Service Contracts (Section 4)

Definitions (Subsection (a))

The bill amends continuing law related to parallel generation service contracts and incorporates the following definitions:

- "Avoided cost" means the incremental cost to an electric energy utility that the utility would generate itself or purchase from another source and as "avoided cost" is interpreted by the Federal Energy Regulatory Commission from time to time;
- "Distributed energy system" means any device or assembly of devices and supporting facilities that are capable of feeding excess electric power generated by the customer's energy-producing system into the utility's system such that all

energy output and all other services will be fully consumed by the customer or the utility;

- "Export" means power that flows from a customer's electrical system through such customer's billing meter and onto the utility's electricity lines. It includes the sum of power on all phase conductors;

- "Interconnected" means a listed system that is designed to export power and attached or connected on the customer's side of the retail meter at the customer's delivery point;

- "Listed" means that the device or equipment has been tested and certified to meet the Institute of Electrical and Electronics Engineers safety standards that specifically pertain to the intended function of the device or equipment;

- "Locational marginal price" means the hourly average market price of alternating current energy per kilowatt-hour established by the applicable locational marginal price pricing code of the Southwest Power Pool (SPP);

- "Monthly system average cost of energy per kilowatt hour" means the sum of all volumetric costs incurred by an electric utility during a calendar month or similar billing period as billed to the utility by generation and transmission providers and any volumetric generation costs incurred by the utility to generate energy divided by the total amount of retail kilowatt-hours that the utility sold in such month or billing period;

- "Permission to operate" means the operational date of the customer's system as determined by the utility;

- "Utility" means any electric public utility, as defined in law; cooperative, as defined in law; electric utility owned by one or more such cooperatives; non-stock member-owned electric cooperative corporation incorporated in Kansas; or municipally owned or operated electric utility; and

- "Witness test" means an authorized representative of the electric utility who measures or verifies a specific setting or operational condition.

Removing Capacity Limits (Subsection (b))

The bill removes language from continuing law regarding compensation, renewable generator capacity limits, and certain definitions. The bill makes technical and conforming amendments to the law, including clarifying that the customer must be in good standing with the utility.

Applications (Subsection (c))

The bill authorizes a utility to require any customer seeking to construct and install a system to submit an application prior to any connection of the system with the utility's system;

notify the utility of the proposed system; and verify that the system is constructed, installed, and operated with all applicable standards and codes. Any customer who submits an application to construct, install, and operate a system has the option to remain on a retail rate tariff that is identical to the same rate class for which the customer would otherwise qualify as a retail customer who is not otherwise receiving service under a parallel generation service tariff or net metering tariff.

The bill requires a utility to provide notice to a customer that the utility received the customer's application within 30 days following receipt of the application. The bill requires the utility to act upon the application within 90 calendar days of receipt of the application. If one or more additional studies are required, the utility is not subject to the 90-day deadline but would provide the customer with an estimated time frame for action on the application as soon as practicable after any studies are completed. If the application is denied, the utility is required to provide the customer with a list of the reasons for such denial and corrective actions needed for approval.

The bill allows a utility to assess upon any customer requesting to install a system:

- A fair and reasonable non-refundable interconnection application fee;
- Any applicable costs incurred by the utility for any study conducted to verify and allow the requested export capacity to be interconnected at the customer's point of delivery, including, but not limited to, costs incurred as a result of the SPP's study processes; and
- Costs associated with any related system upgrade costs, devices, and equipment required to be furnished by the utility for the provision of accepting the requested export capacity.

Compensation and Locational Marginal Pricing (Subsection (d))

The bill requires every contract for parallel generation service to include provisions relating to fair and equitable compensation for energy exported to a utility by the consumer. The compensation cannot be less than 100 percent of the utility's monthly avoided cost. A utility is required to credit the compensation to the customer's account and disclose to any customer the formula that the utility uses to determine the compensation that the utility provides pursuant to a contract for parallel generation service.

The bill provides an exception that a utility could use the locational marginal price or monthly system average cost of energy per kilowatt-hour to determine compensation for energy exported to the utility by the customer. Any utility that uses locational marginal price or monthly system average cost of energy per kilowatt-hour will compensate the customer for the energy exported to the utility at least annually. The compensation can be paid to the customer or credited to the customer's account. When determining compensation, in no case can a utility issue an invoice for energy exported to the utility by the customer's system. Upon the request of any customer who is subject to locational marginal price compensation, the utility is required to disclose the locational marginal price and corresponding amount of energy exported to the utility by the customer's system.

The locational marginal price exception will sunset on July 1, 2030.

Terms and Conditions for Parallel Generation Service (Subsection (f))

The bill requires a utility to furnish, own, and maintain at the utility's expense all necessary meters and associated equipment for billing. A utility can install, at the utility's expense, load research meters and equipment to monitor customer generation and load. The customer is required to provide the utility, at no expense to the utility, a location for these meters and equipment.

The customer is required to furnish, install, operate, and maintain in good order and repair, at the customer's expense, a listed device that is suitable for the operation of the customer's system in parallel with the utility's system. The bill allows the utility to install, own, and maintain a disconnecting device located near the electric meter(s) or allows the utility to require that a customer's system contain a switch, circuit breaker, fuse, or other device or feature that could be accessed by the utility at any time and allow an authorized utility worker to manually disconnect the customer's system from the utility's electric distribution system.

Before granting permission to operate a system, the bill allows the utility to require:

- A witness test of the customer's system and interconnection facilities;

- The customer to provide the certificate of inspection of the customer's system completed pursuant to any municipal ordinance or code requirements or a certification from an electrician or electrical engineer licensed in Kansas that the system is installed according to applicable codes and standards; and

- The customer to provide documentation that the customer's system was constructed and installed under the direction of a person who is certified by the North American Board of Certified Energy Practitioners or either a master electrician or electrical contractor licensed under continuing law.

The utility can require periodic witness testing of the customer's system and interconnection facilities throughout the provision of parallel generation service.

The bill authorizes the utility to have the right and authority to disconnect and isolate the distributed energy system without notice and at utility's sole discretion when:

- Electric service to a customer's premises is discontinued for any reason;

- Adverse electrical effects, such as power quality problems, are occurring or are believed to be occurring on the utility's system or the electrical equipment of other utility customers;

- Hazardous conditions are occurring or are believed to be occurring on the utility's system as a result of the operation of the system or protective equipment;

- The utility identifies uninspected or unapproved equipment or modifications to the system after initial approval;

- There is recurring abnormal operational, substandard operation, or inadequate maintenance of the distributed energy system;

- The customer fails to remit payment to the utility for any amounts owed, including, but not limited to, amounts invoiced;

- The customer does not comply with the obligations of the interconnection agreement, except that, if such non-compliance is not an emergency situation, the utility shall give the customer 90 days to cure the non-compliance prior to disconnecting and isolating the distributed energy system; or

- Disconnection is necessary due to emergency or maintenance purposes. In the event that the utility disconnects the system for maintenance, the utility is required to make reasonable efforts to reconnect the system as soon as practicable.

The bill allows the customer to retain the authority to temporarily disconnect the customer's system from the utility's system at any time. Any such disconnection cannot be construed as a customer's termination of the interconnection agreement absent an express action to terminate such agreement pursuant to the terms and conditions of the agreement.

Formula for Appropriately Sized Electrical Load (Subsection (g))

The bill determines the export capacity of a customer's distributed energy system to be appropriately sized for each customer's electric load by:

- Dividing the customer's historic consumption in kilowatt-hours for the previous 12-month period by 8,760.

- Then dividing the quotient by a capacity factor of:

  - 0.144 when the customer is in the service territory of an investor-owned utility; and
  - 0.288 when the customer is in the service territory of a cooperative as defined in law, electric utility owned by one or more cooperatives, non-stock member-owned electric cooperative corporation incorporated in Kansas, or municipally owned or operated electric utility.

If the customer does not have historic consumption data that adequately reflects the customer's consumption at the premises, the bill sets the customer's historic consumption for the previous 12-month period to be 7.15 kilowatt-hours per square foot of conditioned space and rounds the amount determined by the historic consumption formulas to the nearest 1 kilowatt alternating current power increment.

Aggregate Export Capacity (Subsection (h))

The bill requires, except as provided in the following "Exclusions" subsection, each utility to make parallel generation service available to customers who are in good standing with the

utility on a first-come, first-served basis, until the utility's aggregate export capacity from all distributed energy systems, including systems that are subject to a parallel generation service tariff and systems that are subject to a net metering tariff that was either voluntarily established by the utility or by law, equals or exceeds the following:

- Commencing July 1, 2025, 6 percent of the utility's historic peak demand;
- Commencing July 1, 2026, 7 percent of the utility's historic peak demand; and
- Commencing July 1, 2027, and each year thereafter, 8 percent of the utility's historic peak demand.

The bill allows the utility to limit the export capacity of additional distributed energy systems to be connected to the utility's system due to the capacity of the distribution line to which the system would be connected.

Exclusions (Subsection (i))

The bill clarifies that a utility is not required to make parallel generation service available to any customer who has a new or expanded facility that receives electric service at a voltage of 34.5 kilovolts or higher and commences such electric service on or after July 1, 2025.

In determining a utility's historic peak demand, a utility's peak demand does not include the additional demand of any new or expanded facility of an industrial, commercial, or data center customer that receives electric service at a voltage of 34.5 kilovolts or higher and commences such electric service on or after July 1, 2025.

This exclusion subsection expires on July 1, 2026.

Export-limiting Devices (Subsection (j))

The bill requires the following regarding export-limiting devices for any customer with a distributed energy system:

- The customer to own and maintain any necessary export-limiting device;
- Protections to be in place to restrict the export-limiting device settings to qualified persons;
- The utility has the option to require a witness test of the export-limiting device's functions or settings prior to granting permission to operate and at any time during which the distributed energy system is connected to the utility's system;
- The export capacity of the system cannot be increased without prior approval of the utility;

- The customer allows the utility to perform periodic witness tests of the export-limiting device's functions or settings upon request;

- If the export-limiting device's functions or settings are incorrect or if the device fails to limit the export of power below the designated export capacity for more than 15 minutes in any single event, the customer must cease operation of the system until repair or reprogramming of the export-limiting device is completed. The utility could require and conduct a witness test prior to authorizing operation of the system; and

- The utility cannot restrict the brand or model of the export-limiting device if the device is approved by the manufacturer of a listed distributed energy system or is listed to perform such operations in conjunction with the customer's system.

Regulation (Subsection (k))

Regarding parallel generation service, for a utility subject to the jurisdiction, regulation, supervision, and control (regulation) of the Kansas Corporation Commission (KCC), the bill requires service under any parallel generation service contract to be subject to either the utility's rules and regulations on file with the KCC, which include a standard interconnection process and requirements for the utility's system, or the current Federal Energy Regulatory Commission (FERC) interconnection procedures and regulations.

For a utility that is not subject to KCC regulation, the bill requires service under any parallel generation service contract to be subject to the current FERC interconnection procedures and regulations.

The bill clarifies that, in any case where the customer and a utility that is subject to KCC regulation cannot agree to terms and conditions of any contract provided for by this section, the KCC must establish the terms and conditions for the contract.

Fees (Subsection (l))

The bill prohibits a utility from imposing any additional fees, charges, or requirements for the provision of parallel generation service unless expressly authorized in this section.

The bill also clarifies that nothing in this section could be construed to:

- Prohibit a utility from charging a customer for the use of the utility's system; and

- Authorize a utility to charge a customer for power exported to the utility by a customer.

Canceling Service Contracts (Subsection (m))

The bill requires any customer who has received utility approval to construct or operate a system to notify the utility within 30 calendar days following the date when the construction has

been canceled or the system is permanently shut down. The utility is required to cancel the parallel generation service contract with the customer upon receipt of such notice.

If a utility has reason to suspect that a customer's system has been abandoned and is no longer producing energy, the utility can request verification from the customer that the system is still functioning, or that the customer has a reasonable plan to reenergize the system.

If a customer fails to repair the system or provide a reasonable plan to complete the repairs within six months, the utility has the option to cancel the parallel generation service contract with the customer.

Upon cancellation of any parallel generation service contract, the utility is not obligated to refund any fees previously paid by the customer.

Right to Repair (Subsection (n))

The bill establishes a customer's right to repair or rebuild their system with listed equipment as long as the repair or rebuild does not cause an increase in export capacity.

If a customer repairs or replaces a system, the customer is required to notify the utility prior to the repair or replacement and provide proof that the new equipment complies with the same rules, regulations, and approved capacity as the original installation. The utility has the right to require and conduct a witness test prior to authorizing operation of the system. A customer who repairs or replaces a system is be required to submit a new parallel generation service application to the utility.

The bill prohibits a customer from repairing or replacing a distributed energy system in a way that increases the export capacity of the system without providing prior notification to the utility. The utility is permitted to require the customer to submit a new parallel generation service application to include the provisions and requirements relating to the system.

Demand Response (Subsection (p))

The bill clarifies that nothing in this section on distributed energy systems could be construed to require any cooperative, non-stock member-owned electric cooperative corporation incorporated in Kansas or a municipally owned or operated electric utility to opt-in to or otherwise participate in any demand response or distributed energy resource aggregation programs.

Net Metering and Easy Connection Act (Section 5)

The bill amends the Net Metering and Easy Connection Act to include several provisions similar to the amendments made to the parallel generation service contracts law in the bill.

Canceling Interconnection Agreements (Subsection (c))

The bill requires any customer-generator who has received approval from a utility to construct or operate a net metering facility to notify the utility within 30 days of when the

construction has been canceled or the facility is permanently shut down. The utility is required to cancel the interconnection agreement with the customer upon receipt of the notice.

If a utility has reason to suspect that a customer-generator's facility has been abandoned and is no longer producing energy, the utility can request verification from the customer-generator that the facility is still functioning or that the customer-generator has a reasonable plan to reenergize the facility. If the customer-generator fails to repair the facility or provide a reasonable plan to complete the repairs within six months, the utility has the option to cancel the interconnection agreement with the customer-generator.

Upon cancellation of any interconnection agreement, the utility is not obligated to refund any fees previously paid by the customer-generator.

Right to Repair (Subsection (d))

The bill establishes a customer-generator's right to repair or rebuild their net metering facility that is subject to an interconnection agreement with listed equipment as long as the repair or rebuild does not cause an increase in export capacity.

If a customer-generator repairs or replaces a net metering facility, the customer is required to notify the utility prior to the repair or replacement and provide proof that the new equipment complies with the same rules, regulations, and approved capacity as the original installation. The utility has the right to require and conduct a witness test prior to authorizing operation of the facility. A customer who repairs and replaces a facility is not required to submit a new net metering interconnection application to the utility.

The bill prohibits a customer-generator from repairing or replacing a facility system in a way that increases the export capacity of the system without providing prior notification to the utility. The utility is permitted to require the customer-generator to submit a new net metering interconnection application to include the new provisions and requirements relating to the facility.

VETERANS AND MILITARY

Federal and State Concurrent Jurisdiction on Military Property; HB 2242

HB 2242 authorizes the Governor to grant a request from the United States to establish concurrent jurisdiction (jurisdiction) over land owned by the United States for military purposes within state boundaries.

The bill makes the jurisdiction effective upon completion of:

- A written offer for jurisdiction being sent to the Governor by the principal officer of the military installation or other authorized United States representative having supervision and control over the land that:
  - Clearly states the subject matter for the jurisdiction request;
  - Provides the metes and bounds description of the boundary of the jurisdiction offer; and
  - Indicates whether the request includes future contiguous expansion of land acquired for military purposes;
- The Governor accepting the offer in writing that clearly confirms each offer element is accepted; and
- The Governor recording and indexing the offer, acceptance, and metes and bounds description of the boundary of the jurisdiction with the Secretary of State (Secretary), who is required to publish the information in the *Kansas Register*.

After jurisdiction becomes effective, the bill requires the Governor to send a copy of the information to the official who made the official written offer.

The bill also authorizes any state or local agency to enter into a reciprocal agreement or memorandum of understanding with any United States agency for the coordination and designation of responsibilities related to the jurisdiction.

The bill becomes effective upon publication in the *Kansas Register*.

Veterans and Military Spouses; HB 2280

HB 2280 amends several laws applicable to veterans and military spouses. The bill:

- Amends the definition of “complete application” in law governing occupational licensing and waiver of licensing fees by including military spouses even if the spouse’s service member is not considered to be on active duty;
- Modifies the definitions of “veteran” and “disabled veteran” in several chapters of the *Kansas Statutes Annotated* to include those groups and individuals listed under 38 CFR § 3.7. [*Note:* 38 CFR § 3.7 lists 25 distinct groups or individuals

who are considered to have performed active military, naval, air, or space service, and thereby deemed a veteran by the U.S. Congress.]; and

- Adds a definition of "veteran" to the statute governing requirements for the issuance of a 1st Infantry Division distinctive license plate and makes a technical change to update a reference to the Kansas Commission on Veterans Affairs Office, now named the Kansas Office of Veterans Services.

WATER

Water Program Task Force; Senate Sub. for HB 2172

Senate Sub. for HB 2172 creates a 16-member Water Program Task Force (Task Force) and a 5-member Water Planning Work Group (Work Group) to study and make recommendations to the Legislature on water policy and funding. The bill takes effect upon publication in the *Kansas Register*.

Task Force Membership

The Task Force membership, which totals 16, includes the following voting members:

- The chairperson of the House Committee on Water or designee (1);
- The chairperson of the House Committee on Agriculture and Natural Resources or designee (1);
- The chairperson of the Senate Committee on Agriculture and Natural Resources or designee (1);
- The ranking minority member of the House Committee on Water or designee (1);
- The ranking minority member of the Senate Committee on Agriculture and Natural Resources or designee (1);
- One member of the House of Representatives (House) appointed by the Speaker of the House of Representatives (Speaker) who does not sit on the House Committee on Water or House Committee on Agriculture and Natural Resources (1);
- One member of the Senate appointed by the President of the Senate (President) who does not sit on the Senate Committee on Agriculture and Natural Resources (1);
- Four members jointly appointed by the Speaker and President (4); and
- Two Kansas residents jointly appointed by the Minority Leader of the House and the Minority Leader of the Senate (2).

The Task Force membership also includes the following non-voting ex officio members:

- The Director of the Bureau of Water, Division of Environment, Kansas Department of Health and Environment (1);
- The Director of the Kansas Water Office (1); and

- The Chief Engineer of the Division of Water Resources, Kansas Department of Agriculture (1).

Task Force Requirements

Stakeholder Representation

The bill requires each non-legislative voting member of the Task Force to represent at least one of the following stakeholders:

- Kansas employer with a vested water right;
- Commercial user of a municipal or industrial water right;
- Agricultural producer;
- Economic development organization;
- Water utility;
- Resident Kansas Indian tribe: Potawatomi, Kickapoo, Iowa, or Sac and Fox;
- Rural water district;
- Local conservation district;
- Organization that focuses on environmental or wildlife protection or conservation;
- Local water management district;
- Kansas agricultural banking or appraisal industry;
- Student at a state educational institution engaged in a course of study related to water;
- Kansas municipality;
- Provider of natural resources education;
- Kansas agricultural commodity associations;
- Kansas Water Authority or regional advisory committee;
- Kansas livestock industry; or
- Kansas grain and feed industry.

Membership Requirements

The bill requires each Task Force member to be a Kansas resident and the Task Force to consist of at least one member from each of the five conservation regions of the state. No more than two members of the Task Force, who are not members of the Legislature, may represent the same stakeholder listed above.

The bill requires the Speaker and President to ensure these requirements are met.

Appointments; Vacancies

The bill requires members of the Task Force to be appointed by April 30, 2025. Any vacancy in membership of the Task Force will be filled in the same manner as provided for in the original appointment.

Co-chairpersons

The bill requires the Speaker to select one member of the House who is a member of the Task Force and the President to select one member of the Senate who is a member of the Task Force to serve as co-chairpersons of the Task Force.

Task Force Meetings; Actions

The bill authorizes the Task Force to meet at any time and any place within the state upon call of either co-chairperson.

The bill defines a quorum of the Task Force to be the majority of voting members, and all actions of the Task Force may be taken by a majority of members present when there is a quorum.

Payment

The bill authorizes Task Force members to be paid for expenses, mileage, and subsistence as provided in state law, if approved by the Legislative Coordinating Council.

Staffing

The bill requires the Division of Legislative Administrative Services, Kansas Legislative Research Department, and the Office of Revisor of Statutes to provide assistance as requested by the Task Force.

Task Force Charge

The bill requires the Task Force to:

- Evaluate major risks to the quality and quantity of the state's water supply, including any impact on current and future economic growth and population stability;

- Determine steps the state must take to define and achieve a future supply of water for Kansans; and

- Evaluate current funding for water in the state and determine whether such funding is sufficient to address the water issues included in the State Water Plan, including the state's current and future water infrastructure needs.

Task Force Report to the Legislature

The bill requires the Task Force to prepare and submit a preliminary report on or before January 31, 2026, and a final report on or before January 31, 2027, to the:

- House Committee on Agriculture and Natural Resources;

- House Committee on Water;
- Senate Committee on Agriculture and Natural Resources; and
- The Governor.

The report must include:

- The water program's long-term structure to address the state's current and future water needs, including, but not limited to:
  - The roles and responsibilities of the state, municipalities, and regional entities;
  - How the program's investments and successes should be evaluated, including gathering any stakeholder input; and
  - Criteria to determine program investments, including geographic diversity of such investments; and
- Funding for the water program, including, but not limited to:
  - New dedicated moneys or investments for the State Water Plan Fund;
  - Changes to any existing fees or moneys dedicated to the State Water Plan Fund; and
  - Any additional funding sources or tools necessary to ensure that the financial resources are adequate to address the state's water issues.

Water Planning Work Group

Membership

The bill requires, on or before June 30, 2025, the co-chairpersons of the Task Force to jointly appoint five individuals to the Work Group. The individuals may be members of the Task Force but are not required to be members of the Task Force. The bill requires the individuals to be attorneys, engineers, hydrologists, natural resource planners, or others with relevant experience with Kansas water issues.

Meetings; Purpose

The bill requires the Work Group to meet regularly as necessary to conduct a study of the State Water Resources Planning Act (Act) and develop draft legislation that proposes modernization of the Act.

Work Group Charge

The bill charges the Work Group to work under the direction of the Task Force and submit ongoing reports to the Task Force relating to:

- How the State Water Plan is created;

- What the State Water Plan should prioritize;
- How the State Water Plan is implemented;
- How recommendations for State Water Plan appropriations are made to the Legislature;
- Any future studies that might be undertaken; and
- Any other related or relevant matters.

Payment

The bill authorizes members of the Work Group to be paid for expenses, mileage, and subsistence as provided in state law, if approved by the Legislative Coordinating Council.

Staffing

The bill requires the Division of Legislative Services, Kansas Legislative Research Department, and Office of Revisor of Statutes to provide assistance as requested by the Work Group.

State Agencies

The bill requires any state agency or entity that is involved in the management or study of water in Kansas to provide information and support to the Work Group upon request.

Task Force and Work Group Sunset

The provisions of the bill sunset on July 1, 2027.

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