

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Paul Hess at  
Chairperson11:10 a.m./p.m. on Friday, January 20, 1984 in room 123-S of the Capitol.

All members were present except:

Senator Talkington and Senator Warren

Committee staff present: Mary Galligan, Lynne Holt, Ed Ahrens, Norman Furse,  
Mark Skinner, Berniece Myers

Conferees appearing before the committee:

Lynn Muchmore - State Budget Director  
Ron Todd - Insurance Commissioner  
Homer Cowan, Jr. Western Insurance Company  
Glen Cogswell - Alliance of American Insurers  
Bud Cornish - Kansas Life Association  
Mark Heitz - Security Benefit Group

Chairman Hess asked that bills be introduced stating there were eight proposals requested by the Department of Corrections. It was moved by Senator Doyen and seconded by Senator Harder that the eight proposals be introduced as committee bills. The motion was passed by voice vote. The second bill to be introduced pertained to the historical society charging a fee. The motion was made by Senator Harder and seconded by Senator Hein. The motion carried by voice vote. (See ATT. A and B)

SB505 - Relating to insurance companies; concerning the time for payment of taxes by insurance companies.

Lynn Muchmore gave a review of SB505. He stated this bill was to accelerate the collection of some taxes. At present taxes on insurance premiums are to be paid on or about March 1. With the proposal the payment would be made on June 15 of the estimated liability of the first 6 months of the year. The second payment would be made on December 15 for the estimated liability accrued between June and December. The estimate figure is one half of the previous years liability. This would move the payment back to a time more simultaneously with the liability. It is this payment that would give us approximately \$22,000,000. He stated the Fire Marshal tax goes to the General Fund.

Ron Todd reported that they reviewed the way the balloon was set up and felt it would achieve what they need.

Mr. Homer Cowan from Western Insurance Company said they do business in 46 states and all but four have this type of tax. They were not too happy about it but would pay it. He stated they paid one half million dollars in taxes in the State of Kansas.

Glen Cogswell did not have any remarks only stated they were not aware of the amendments.

Bud Cornish expressed some concern. The three areas of concern were gross premium tax, Fire Marshal tax and retaliatory tax. He stated that the insurance industry presently pays upwards of \$50,000,000. This is money that they normally would be investing. He stated this would probably take \$1,000,000. to \$1.2 million of lost investment earnings from the insurance industry. This bill speeds up payment as stated above, hence, a \$22,000,000. one time windfall to the S.G.F. for FY '84 to assist the states' cash balances.

Mark Heitz gave a presentation (See ATT. C). He presented an amendment concerning the payment of premium taxes on annuity policies in Kansas. He stated the Statute is not clear as to the two tier system the insurance companies can presently choose to pay this tax. They want to clarify the language in the Statute to continue the longstanding choice of method of payment.

A motion was made by Senator Hein and seconded by Senator Harder to approve the amendment. The motion carried by voice vote.

A motion was made by Senator Bogina and seconded by Senator Gaines to approve a technical amendment. The motion carried by a voice vote. (See ATT. D).

The motion was made by Senator Bogina and seconded by Senator Gaines to pass the bill with the two amendments. The motion passed with a roll call vote.

Senator Hess reported that he and Senator Pomeroy have agreed to study a recommendation which was proposed by the Judicial Council, to expand the Court of Appeals from 7 to 10 members, as well as staffing. To conserve time, Senator Hess thought it would be a good idea to have the Judiciary Committee and the Ways and Means Committee participate in this together. They would select a sub-committee from both Houses and both the Ways and Means Committees and the Judiciary Committee. There would be 16 members on this Ad Hoc committee. (See ATT. E).

The meeting was then adjourned.

WAYS AND MEANS <sup>SENATE</sup>  
(HOUSE)

75-5205. Powers and duties of secretary;  
federal funds; contracts; em-  
ployees; office space in Topeka.

20-208 Law books for inmates

December 30, 1983

Subject: Statutory authority for the Secretary of Corrections to accept gifts.

**75-5205. Powers and duties of secretary; federal funds; contracts; employees; office space in Topeka.** (a) The secretary of corrections shall have the general supervision and management of the correctional institutions of the state and such other facilities as may be acquired by lease, purchase or contract for the housing of persons in the secretary's custody. The secretary shall have general supervision, management and control of any manufacturing or other business that may be carried on in behalf of the state pursuant to law, other than business enterprises operating under K.S.A. 1982 Supp. 75-5288, in and about any correctional institution or facility and shall have the power to receive, take charge, sell or otherwise dispose of any articles manufactured or produced for the benefit of the state, in the manner prescribed by law, other than articles, products and services produced or provided by business enterprises operating under K.S.A. 1982 Supp. 75-5288. The secretary shall have charge and general supervision of the grounds and buildings of such correctional institutions, and the secretary is hereby authorized to purchase the necessary material and supplies therefor.

(b) For purpose of carrying out the secretary's duties, the secretary shall have the authority to receive and expend federal funds and to contract with other agencies of the state and with the federal government and its agencies.

(c) The secretary shall devote his or her entire time to the duties conferred upon the secretary by this act. The secretary may appoint such employees as may be necessary for the efficient management and administration of the department of corrections and as are within available appropriations therefor, and such employees shall be within the classified service under the Kansas civil service act unless otherwise specifically provided by law. Any person appointed as an attorney shall be in the unclassified service under the Kansas civil service act.

*Atch. A*

1-20  
A

(d) The secretary of administration shall provide the department of corrections with office space at Topeka.

History: K.S.A. 75-5205; L. 1978, ch. 332, § 48; L. 1978, ch. 366, § 4; L. 1978, ch. 330, § 40; L. 1979, ch. 296, § 1; July 1.

**Cross References to Related Sections:**

Secretary to provide corrections ombudsman board with access to records and facilities and with personnel and accounting services, see 74-7301 and 74-7303

(e) The secretary may accept and receive for the department of corrections or a correctional institution any gift of property which in his or her discretion would enhance the services provided by the department of corrections.

December 30, 1983

Subject: To provide legal resources to inmates.

**20-208.** Exchanges, distribution and sale of Kansas reports; preservation of proofs, matrices, plates, computer tapes and impressions; use for computerized legal research. (a) When the reports of the decisions of the supreme court or court of appeals are delivered, the state law librarian shall use as many thereof as may be necessary to maintain reasonable and equitable exchanges of such reports for law books and other legal publications of the other states, territories, countries, societies and institutions, for use in the supreme court law library. As used herein, "Kansas reports" shall mean the reports of the decisions of the supreme court and court of appeals. The state law librarian shall distribute copies of the Kansas reports without charge, as follows:

(1) The supreme court, the court of appeals and the office of the attorney general shall receive the number of copies necessary to conduct the official business of such office, as certified to the state law librarian by the head or executive officer of the respective agencies;

(2) The office of each elected state official, other than those specifically provided for herein, shall receive one copy;

(3) The law library of the school of law of the university of Kansas shall receive thirty (30) copies to maintain its sets of Kansas reports and for exchange purposes,

and the law library of the school of law of Washburn university of Topeka shall receive thirty (30) copies to maintain its sets of Kansas reports and for exchange purposes;

(4) The state library and the libraries of Emporia state university, Fort Hays state university, Pittsburg state university, Kansas state university, and Wichita state university, shall receive two (2) copies to maintain its set of Kansas reports;

(5) The United States district court for the district of Kansas shall receive six (6) copies;

(6) The office of each judge of the district court shall each receive one copy;

(7) The state penitentiary at Lansing and the state industrial reformatory at Hutchinson shall each receive one copy for the use of inmates at such institutions and one copy for the use of the legal advisor at such institutions;

(8) The library of congress shall receive two (2) copies in order to complete the copyright of said reports;

(9) One copy shall be deposited with the appropriate office of the United States post office in order to obtain a postal permit for mailing such reports;

(10) A personal copy of the reports shall be presented to each justice of the supreme court, each judge of the court of appeals, the clerk of the supreme court, the supreme court reporter, and the judicial administrator of the district courts. Also, a personal copy shall be sent to any retired supreme court justice, judge of the court of appeals, district judge or associate district judge, if such retired judge or justice files with the clerk of the supreme court annually a certificate stating that he or she is not engaged in the active practice of law and is willing to accept judicial assignments; and

(11) The legislative coordinating council shall receive the number of copies necessary to conduct the official business of the legislative branch of government, as certified to the state law librarian by the legislative coordinating council.

(b) Except as otherwise specifically provided in paragraph (10) of subsection (a), all copies of the Kansas reports distributed pursuant to subsection (a) or purchased by any governmental agency or subdivision shall become the property of such office, agency or subdivision, which shall be accountable therefor, and the state law librar-

All other correctional institutions and facilities under the supervision of the Secretary of Corrections shall receive one copy for the use of inmates at such institutions or facilities.

others or for any other purpose, but shall be responsible for the remaining volumes of said reports, which shall be sold by him or her at the per volume price fixed by the supreme court under this section for each current volume, plus the amount fixed by the supreme court under this section for the cost of postage and handling, and the per volume price fixed by the supreme court under this section for each noncurrent volume which has not been reprinted, plus the amount fixed by the supreme court under this section for the cost of postage and handling. The supreme court shall have authority to order printed such additional copies of the reports of the supreme court as in their judgment will be necessary to supply the demand upon the state law librarian for the same. The state law librarian shall sell any noncurrent volume which is reprinted at the per volume price fixed by the supreme court under this section, plus the amount fixed by the supreme court under this section for the cost of postage and handling. All purchases of reports shall be made by payment in advance. The supreme court shall fix the per volume price for copies of these Kansas reports sold under this section to recover the costs of printing and binding such volumes and shall fix the amount to be charged in connection with the sale of each of such volumes to cover the costs of postage and handling applicable thereto. The supreme court shall revise all such prices from time to time as necessary for the purposes of covering or recovering such costs.

(c) It shall be the duty of the director of printing, under the direction of the supreme court, to make and preserve for future use proofs, matrices, plates, computer tapes or impressions of all volumes of the reports of the supreme court and such other publications as the supreme court may designate. The director of printing shall not make or permit to be made any proofs, matrices, plates, computer tapes or impressions of any book published by the judicial branch of the state government except for the use of the state, as herein provided, and all proofs, matrices, plates, computer tapes or impressions so made for any book published by the judicial branch of the state government shall be the exclusive property of the state, except



tion whereby such corporation may utilize the services of equipment and personnel under the supervision of the director of printing for the purpose of converting reports of the Kansas supreme court and the Kansas court of appeals to machine readable form for use by such corporation in providing computerized legal research services, subject to protection of the state's copyright as to any purpose unnecessary for such computerized legal research.

History: L. 1909, ch. 117, § 1; R.S. 1923, 20-208; L. 1941, ch. 206, § 1; L. 1947, ch. 221, § 1; L. 1960, ch. 46, § 1; L. 1965, ch. 213, § 1; L. 1969, ch. 164, § 1; L. 1970, ch. 118, § 1; L. 1974, ch. 135, § 6; L. 1975, ch. 181, § 1; L. 1976, ch. 147, § 4; L. 1976, ch. 151, § 4; L. 1977, ch. 106, § 1; L. 1978, ch. 109, § 1; L. 1980, ch. 95, § 1; July 1.

**Source or prior law:**

L. 1862, ch. 67, §§ 5, 7; L. 1864, ch. 95, § 3; L. 1867, ch. 120, §§ 6, 8; C.S. 1868, ch. 27, pp. 302, 303, §§ 6, 8; L. 1874, ch. 104, § 4; L. 1877, ch. 186, § 1; L. 1879, ch. 148, § 1; L. 1889, ch. 247, § 4; L. 1903, ch. 401, § 1; L. 1905, ch. 497, § 1.

**Research and Practice Aids:**

Reports—5.  
C.J.S. Reports § 8.

**Law Review and Bar Journal References:**

"1969 Kansas Legislature—A Review of Enactment,"  
Robert F. Bennett, 38 J.B.A.K. 89, 125 (1969).

DOC BILL DRAFT

December 30, 1983

Subject: Disposition of property upon withdrawal or termination from community corrections grant program.

**75-52,108.** Withdrawal of participation in grant program. Within ten (10) days after the end of any calendar quarter, any county or any group of cooperating counties which is participating under this act, may withdraw from such participation by resolution of the board or boards of county commissioners and shall notify the secretary of corrections of such resolution to withdraw from the grant program under this act. Any such withdrawal shall be effective for such county or for such group of counties on the last day of the next ensuing calendar quarter after the calendar quarter in which such notice was given.

History: L. 1978, ch. 364, § 17, April 20.

If a county or group of counties withdraw or are terminated from the grant program, the board or boards of county commissioners shall, within thirty (30) days after the effective date of the withdrawal or termination, inventory all property acquired by grant funds in the preceeding two (2) year period and provide such inventory to the secretary of corrections. The secretary of corrections may require that any inventoried property which had a purchase price in excess of one-hundred dollars (\$100) at the time of acquisition be returned to the state.

IS AND MEANS (SENATE)

- 75-3058. Imprest funds, DOC.
- 75-5211. Inmate employment and training; work conditions; inmate not state employee; withdrawals from pay, when; allowance and transportation on release.
- 75-5268. Work release and job training programs; compensation received by inmate, disposition.
- 75-52,101a. Community corrections grant funds.
- 75-52,104. Charges for certain juveniles and felons committed to custody of state officials; deduction from grant amounts.
- 75-52,106. Withdrawal of participant in grant program.

IMPREST FUNDS OF STATE AGENCIES

75-3058. Imprest funds, department of corrections. The following imprest funds are hereby established for institutions, other units or functions of the department of corrections:

Probation-and-Parole .....	\$--1,000
Kansas state penitentiary .....	25,000
State industrial reformatory .....	20,000
State reception and diagnostic center .....	2,000
State correctional-vocational training center...	10,000
Kansas correctional institution at Lansing .....	5,000
Toronto honor camp .....	3,000
El Dorado honor camp .....	3,000
Wichita work release center .....	4,000
<u>Winfield pre release center</u> .....	<u>10,000</u>
<u>Topeka pre release center</u> .....	<u>5,000</u>

This act shall take effect and be in force from and after its publication in the Kansas register.

December 30, 1983

Subject: Determining release gratuity and transportation for inmates.

**75-5211. Inmate employment and training; work conditions; inmate not state employee; withdrawals from pay, when; allowances and transportation on release.** (a) The secretary of corrections shall provide employment opportunities, work experiences, educational or vocational training for all inmates capable of benefiting therefrom. Equipment, management practices and general procedures shall, to the extent possible, approximate normal conditions of employment which includes a forty-hour work week for every inmate who is available, willing and able to participate. Such work week may include schooling, vocational

training, employment at private industry, treatment or other activities authorized by the secretary. For all purposes under state law, no inmate shall be deemed to be an employee of the state or any state agency. The secretary of corrections shall credit to each inmate as a reward for such employment, an amount which shall be set by the governor but shall not be less than \$.25 per day. Any inmate who is gainfully employed under the work release provisions of K.S.A. 1982 Supp. 75-5267 and 75-5268, or who is gainfully employed by a private business enterprise operating on the grounds of a correctional institution under K.S.A. 1982 Supp. 75-5288, or any other private business at which inmates are permitted to be gainfully employed, and any inmate who is incarcerated at the Kansas reception and diagnostic center for the purpose of receiving diagnosis and any inmate on disciplinary segregation status shall not be eligible to receive compensation as provided in this subsection.

(b) The secretary of corrections shall establish programs and prescribe procedures for withdrawing amounts from the compensation paid to inmates from all sources for the purposes as are prescribed by K.S.A. 1982 Supp. 75-5268 for moneys of work release participants.

(c) Upon the release of any inmate on ~~from the custody of the secretary, the~~  
~~may be provided with suitable~~  
~~clothing and gratuity of up to \$250 in~~  
~~money dependent upon individual need,~~  
~~and the inmate shall be provided transpor-~~  
~~tation to the inmate's place of employment.~~  
~~The same provisions shall be made for any~~  
~~inmate discharged from any of the correc-~~  
~~tional institutions by conditional release or~~  
~~expiration of the inmate's maximum sen-~~  
~~tence, except that transportation shall be~~  
~~provided to the inmate's home, if within the~~  
~~state, or, if not, to the place of conviction or~~  
~~to some other place not more distant as~~  
~~selected by the inmate.~~

History: L. 1973, ch. 339, § 11; L. 1975,  
ch. 458, § 2; L. 1978, ch. 366, § 5; L. 1980,  
ch. 286, § 1; L. 1981, ch. 348, § 1; July 1.

#### CASE ANNOTATIONS

2. Habeas corpus not proper proceeding for review of this section. *Foster v. Maynard*, 222 K. 506, 511, 513, 565 P.2d 285.

3. Trial court did not err in not ordering employment opportunities under this section. *Foster v. Maynard*, 222 K. 506, 513, 565 P.2d 285.

, conditional release or expiration of the inmate's maximum sentence, the inmate shall be provided with suitable clothing and a cash payment of \$100. Any inmate who is gainfully employed under the work release provisions of K.S.A. 1982 Supp. 75-5267 and 75-5268, or who is gainfully employed by a private business enterprise operating on the grounds of a correctional institution under K.S.A. 1982 Supp. 75-5288, or any other private business at which inmates are permitted to be gainfully employed or any inmate paroled to a detainer shall not be eligible to receive this cash payment.

An inmate released on conditional release or expiration of the inmate's maximum sentence shall be provided public transportation, if required, to the inmate's home, if within the state, or, if not, to the place of conviction or to some other place not more distant, as selected by the inmate. An inmate released on parole shall be provided public transportation, if required, to the place to which the inmate was paroled.

payment of a reasonable amount into  
inmate's account for disbursement to the  
inmate upon release from custody; and

(f) the balance, if any, shall be credited  
to the inmate's account and shall be made  
available to the inmate in such manner and  
for such purposes as are authorized by the  
secretary.

History: K.S.A. 75-5268, L. 1980, ch.  
286, § 2, July 1.

December 30, 1983

Subject: Disposition of reimbursement funds to correctional industries.

**75-5208. Work release and job training programs; compensation received by inmate, disposition.** Any inmate who is allowed to participate in such paid employment or in such job training or paid employment for which a subsistence allowance is paid in connection with such job training shall pay over to the secretary or his or her designated representative all moneys received from such paid employment or job training except that, pursuant to regulations adopted by the secretary of corrections, the inmate shall retain a stipulated reasonable amount of the money as the secretary or his or her designated representative deems necessary for expenses connected with the said employment or job training. The balance of the moneys paid to the secretary or his or her representative shall be disbursed for the following purposes: (a) A designated minimum amount of that money paid to the secretary shall be returned to the general revenue fund or to the political subdivision, federal government or community-based center for such inmate's food and lodging;

or, if the inmate is participating in a private industry program other than work release, the minimum amount collected shall be deposited to the corrections industries fund;

(b) transportation to and from the place of employment at the rate allowed in K.S.A. 1982 Supp. 75-3203,

(c) if any of the dependents of the inmate are receiving public assistance, a reasonable percentage of the inmate's net pay after deduction of the above expenses shall be forwarded to the spouse or the guardian of any dependents with immediate notification of same to the secretary of social and rehabilitation services;

(d) if subsection (c) of this section is not applicable, then a reasonable percentage of the inmate's net pay after deduction of the above expenses shall be disbursed for the payment, either in full or ratable, of the inmate's obligations acknowledged by the inmate in writing, or which have been reduced to judgment;



75-52,101a

(a) A county or group of cooperating counties participating under this act shall be eligible for supplementary grant funds, in addition to those determined under K.S.A. 1982 Supp.

75-52,101, if:

(1) The population of the county or group of cooperating counties is within the range of 15,000 to 100,000; and,

(2) the chargeback commitment rate per one thousand population for those committed to the custody of the secretary of corrections, but not granted probation within 120 days after sentencing, is higher than the state rate as determined from department of corrections records for a two year period ending six (6) months prior to implementation of a plan; and,

(3) the counties or group of cooperating counties have a comprehensive plan approved by the secretary of corrections.

(b) The supplementary grant funds shall be determined as follows:

(1) Determine the rate of chargeback commitments for the period set forth in subsection (a)(2) per one thousand population;

(2) determine the rate of chargeback commitments not granted probation within 120 days after sentencing per one thousand population for the period set forth in subsection (a)(2) and multiply this amount by 7.5;

(3) add the amounts determined in subsection (b)(1) and subsection (b)(2) and multiply this amount by the population of the county or group of cooperating counties.

**75-52,104.** Charges for certain juveniles and felons committed to custody of state officials; deduction from grant amounts. (a) Each county receiving grants under this act shall be charged a sum determined by the secretary of corrections which shall be equal to the total of the per diem costs to the state general fund of confinement and rehabilitation of those persons who are committed to the secretary of corrections on and after the first day of the calendar quarter for which the county first receives grant payments under K.S.A. 1982 Supp. 75-52,105 and amendments thereto, except that no charge shall be made for those persons: (A) Convicted of a class A, B or C felony; (B) convicted of a class D or E felony who had more than one prior felony conviction; (C) convicted of aggravated assault under K.S.A. 21-3410 and amendments thereto; (D) convicted of a sex offense under article 35 of chapter 21 of the Kansas Statutes Annotated and amendments and supplements thereto; or (E) sentenced under K.S.A. 21-4618.

(b) In addition to amounts charged under subsection (a) to each county receiving grants under the community corrections act, on and after the first day of the calendar quarter for which the county first receives grant payments under K.S.A. 1982 Supp. 75-52,105 and amendments thereto, a charge shall be assessed against the county in the amount of \$3,000 for the first calendar year the county receives the grants and \$6,000 during the second calendar year and each calendar year thereafter that the county receives the grants for each juvenile committed to or placed in a state youth center, as defined by K.S.A. 1982 Supp. 38-1602, except that no charge shall be assessed when the commitment or placement in any such facility involves a juvenile adjudged a delinquent as a result of conduct which if committed by an adult would constitute a class A, B or C felony, an aggravated assault under K.S.A. 21-3410 and amendments thereto or a sex offense under article 35 of chapter 21 of the Kansas Statutes Annotated and amendments and supplements thereto. A charge assessed against a county under this subsection shall be assessed at the time of commitment of the juvenile.

DOC BILL DRAFT

January 4, 1984

Subject: Place a limit on community corrections chargebacks.

(c) In no case shall the amount charged exceed the amount of the grant which the county is eligible to receive under this act. The secretary of corrections shall determine the charges under subsections (a) and (b) and shall deduct the appropriate charges from the amount of the grant payable to each such county. All such charges shall be a charge against the county of commitment except that the secretary of corrections may waive a charge against a county in a case involving a commitment arising from an escape or charge of aggravated juvenile delinquency.

History: L. 1978, ch. 364, § 15, L. 1979, ch. 297, § 3, L. 1980, ch. 288, § 3, L. 1980, ch. 299, § 3, L. 1982, ch. 357, § 28, L. 1982, ch. 182, § 145, Jan. 1, 1983.

For individuals convicted of crimes committed after July, 1, 1982, the charges to the county shall be computed on the actual length of confinement but not to exceed the average length of time served, by felony class, for individuals paroled during the period July 1, 1982, through June 30, 1983.

LEGISLATIVE PROPOSAL

AN ACT relating to insurance; fees and taxes; amending K.S.A. 40-252 and repealing the existing sections.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF KANSAS:

Section 1. K.S.A. 40-252 is hereby amended to read as follows: 40-252. Schedule of fees and taxes for insurance companies and fraternal benefit societies; returns. Every insurance company or fraternal benefit society organized under the laws of this state or doing business in this state shall pay to the commissioner of insurance fees and taxes specified in the following schedule:

A

Insurance companies organized under the laws of this state:

1. Capital stock insurance companies other than burial insurance companies and mutual legal reserve life insurance companies:

Filing application for sale of stock or certificates of indebtedness \$ 25.00

Admission fees:

Examination of charter and other documents . . . . . 55.00

Filing annual statement . . . . . 100.00

Certificate of authority . . . . . 10.00

Annual fees:

Filing annual statement . . . . . 100.00

Continuation of certificate of authority . . . . . 10.00

2. Mutual life, accident and health associations:

Admission fees:

Examination of charter and other documents . . . . . \$ 55.00

Filing annual statement . . . . . 100.00

Certificate of authority . . . . . 10.00

Annual fees:

Filing annual statement . . . . . 100.00

Continuation of certificate of authority . . . . . 10.00

3. Mutual fire, hail, casualty and multiple line insurers and reciprocal or interinsurance exchanges:

Admission fees:

Examination of charter and other documents . . . . . \$ 55.00

Filing annual statement . . . . . 100.00

Certificate of authority . . . . . 10.00

Annual fees:

Filing annual statement . . . . . 100.00

Continuation of certificate of authority . . . . . 10.00

4. Burial insurance companies:

Filing application for sale of stock . . . . . \$ 25.00

Annual fees:

Filing annual statement . . . . . 100.00

Continuation of certificate of authority . . . . . 10.00

In addition to the above fees and as a condition precedent to the continuation of the certificate of authority provided in this code all such companies shall pay a fee of \$2 for each agent certified by the company and shall also pay a tax annually upon all premiums received on risk located in this state at the rate of 1% per annum less any taxes paid on business in this state pursuant to the provisions of K.S.A. 40-1701 and 75-1708 and any amendments thereto.

Funds accepted by a life insurer under an agreement which provides for an accumulation of funds to purchase taxable annuities at later dates shall be taxable premiums either when received or when actually applied to the purchase of annuities, at the option of the insurer. If the funds are declared upon receipt, any interest or other gain that accrues thereon shall not be taxable as premium income, but if the funds are declared when applied to the purchase of annuities, the premium tax shall be paid on the entire amount so applied. Any such funds declared upon receipt which are thereafter withdrawn before application to the purchase of annuities may be deducted from tax base as "premiums returned on account of cancellations."

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, all premiums received for reinsurance from any other company authorized to do business in this state, dividends returned to policyholders and premiums

65 received in connection with the funding of a pension, deferred compensation,  
66 annuity or profitsharing plan qualified or exempt under sections 401, 403,  
67 404, 408, 457 or 501 of the United States internal revenue code. Should any  
68 such company remove or maintain, or both, either their home, principal or  
69 executive office or offices from this state, every such company shall be  
70 subject to the provisions of subsection D of this section.  
71

72 B

73  
74 Fraternal benefit societies organized under the laws of this state:

75 Admission fees:

76 Examination of charter and other documents . . . . . \$ 50.00  
77 Filing annual statement . . . . . 100.00  
78 Certificate of authority . . . . . 10.00

79 Annual fees:

80 Filing annual statement . . . . . 100.00  
81 Continuation of certificate of authority . . . . . 10.00  
82

83 C

84  
85 Mutual nonprofit hospital service corporations, nonprofit medical service  
86 corporations, nonprofit dental service corporations and nonprofit  
87 optometric service corporations organized under the laws of this state:

88 1. Mutual nonprofit hospital service corporations:

89 Admission fees:

90 Examination of charter and other documents . . . . . \$ 55.00  
91 Filing annual statement . . . . . 100.00  
92 Certificate of authority . . . . . 10.00

93 Annual fees:

94 Filing annual statement . . . . . 100.00  
95 Continuation of certificate of authority . . . . . 10.00

96 2. Nonprofit medical service corporations:

97 Admission fees:

98 Examination of charter and other documents . . . . . \$ 55.00  
99 Filing annual statement . . . . . 100.00  
100 Certificate of authority . . . . . 10.00

101 Annual fees:

102 Filing annual statement . . . . . 100.00  
103 Continuation of certificate of authority . . . . . 10.00

104 3. Nonprofit dental service corporations:

105 Admission fees:

106 Examination of charter and other documents . . . . . \$ 55.00  
107 Filing annual statement . . . . . 100.00  
108 Certificate of authority . . . . . 10.00

109 Annual fees:

110 Filing annual statement . . . . . 100.00  
111 Continuation of certificate of authority . . . . . 10.00

112 4. Nonprofit optometric service corporations:

113 Admission fees:

114 Examination of charter and other documents . . . . . \$ 55.00  
115 Filing annual statement . . . . . 100.00  
116 Certificate of authority . . . . . 10.00

117 Annual fees:

118 Filing annual statement . . . . . 100.00  
119 Continuation of certificate of authority . . . . . 10.00

120 In addition to the above fees and as a condition precedent to the  
121 continuation of the certificate of authority, provided in this code, every  
122 corporation or association shall pay annually to the commissioner of insurance  
123 a privilege fee in an amount equal to 1% per annum of the total of all  
124 premiums, subscription charges, or any other term which may be used to  
125 describe the charges made by such corporation or association to subscribers  
126 for hospital, medical or other health services or indemnity received during  
127 the preceding year. In such computations all such corporations or  
128 associations shall be entitled to deduct any premiums or subscription charges  
129 returned on account of cancellations and dividends returned to members or  
130 subscribers.



Insurance companies organized under the laws of any other state, territory or country:

1. Capital stock insurance companies other than burial insurance companies, and mutual legal reserve life insurance companies:

Filing application for sale of stock or certificates of indebtedness \$ 25.00

Admission fees:

Examination of charter and other documents . . . . . 55.00

Filing annual statement . . . . . 100.00

Certificate of authority . . . . . 10.00

Annual fees:

Filing annual statement . . . . . 100.00

Continuation of certificate of authority . . . . . 10.00

In addition to the above fees all such companies shall pay \$5 for each agent certified by the company, except as otherwise provided by law. As a condition precedent to the continuation of the certificate of authority, provided in this code, every company organized under the laws of any other state of the United States or of any foreign country shall pay a tax upon all premiums received during the preceding year at the rate of 2% per annum.

Funds accepted by a life insurer under an agreement which provides for an accumulation of funds to purchase taxable annuities at later dates shall be taxable premiums either when received or when actually applied to the purchase of annuities, at the option of the insurer. If the funds are declared upon receipt, any interest or other gain that accrues thereon shall not be taxable as premium income, but if the funds are declared when applied to the purchase of annuities, the premium tax shall be paid on the entire amount so applied. Any such funds declared upon receipt which are thereafter withdrawn before application to the purchase of annuities may be deducted from tax base as "premiums returned on account of cancellations."

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, dividends returned to policyholders and all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profit-sharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code.

2. Mutual life, accident and health associations:

Admission fees:

Examination of charter and other documents . . . . . \$ 55.00

Filing annual statement . . . . . 100.00

Certificate of authority . . . . . 10.00

Annual fees:

Filing annual statement . . . . . 100.00

Continuation of certificate of authority . . . . . 10.00

In addition to the above fees, every such company organized under the laws of any other state of the United States shall pay \$5 for each agent certified by the company, and shall pay a tax annually upon all premiums received at the rate of 2% per annum.

Funds accepted by a life insurer under an agreement which provides for an accumulation of funds to purchase taxable annuities at later dates shall be taxable premiums either when received or when actually applied to the purchase of annuities, at the option of the insurer. If the funds are declared upon receipt, any interest or other gain that accrues thereon shall not be taxable as premium income, but if the funds are declared when applied to the purchase of annuities, the premium tax shall be paid on the entire amount so applied. Any such funds declared upon receipt which are thereafter withdrawn before application to the purchase of annuities may be deducted from tax base as "premiums returned on account of cancellations."

In the computation of the gross premiums all such companies shall be entitled to deduct any premiums returned on account of cancellations, dividends returned to policyholders all premiums received for reinsurance from any other company authorized to do business in this state and premiums received in connection with the funding of a pension, deferred compensation, annuity or profitsharing plan qualified or exempt under sections 401, 403, 404, 408, 457 or 501 of the United States internal revenue code.

199 3. Mutual fire, casualty and multiple line insurers and reciprocal or  
 200 interinsurance exchanges:  
 201 Admission fees:  
 202 Examination of charter and documents and issuance of certificate of  
 203 authority . . . . . \$ 55.00  
 204 Filing annual statement . . . . . 100.00  
 205 Certificate of authority . . . . . 10.00  
 206 Annual fees:  
 207 Filing annual statement . . . . . 100.00  
 208 Continuation of certificate of authority . . . . . 10.00  
 209 In addition to the above fees, every such company or association  
 210 organized under the laws of any other state of the United States shall pay a  
 211 fee of \$5 for each agent certified by the company and shall also pay a tax  
 212 annually upon all premiums received at the rate of 2% per annum. In the  
 213 computation of the gross premiums all such companies shall be entitled to  
 214 deduct any premiums returned on account of cancellations, all premiums  
 215 received for reinsurance from any other company authorized to do business in  
 216 this state, and dividends returned to policyholders.

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220 Fraternal benefit societies organized under the laws of any other state,  
 221 territory or country:  
 222 Admission fees:  
 223 Examination of charter and other documents . . . . . \$ 55.00  
 224 Filing annual statement . . . . . 100.00  
 225 Certificate of authority . . . . . 10.00  
 226 Annual fees:  
 227 Filing annual statement . . . . . 100.00  
 228 Continuation of certificate of authority . . . . . 10.00  
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230 F  
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232 Mutual nonprofit hospital service corporations and nonprofit medical service  
 233 corporations, nonprofit dental service corporations and nonprofit  
 234 optometric service corporations organized under the laws of any other  
 235 state, territory or country:  
 236 1. Mutual nonprofit hospital service corporations:  
 237 Admission fees:  
 238 Examination of charter and other documents . . . . . \$ 55.00  
 239 Filing annual statement . . . . . 100.00  
 240 Certificate of authority . . . . . 10.00  
 241 Annual fees:  
 242 Filing annual statement . . . . . 100.00  
 243 Continuation of certificate of authority . . . . . 10.00  
 244 2. Nonprofit medical service corporations, nonprofit dental service  
 245 corporations and nonprofit optometric service corporations:  
 246 Admission fees:  
 247 Examination of charter and other documents . . . . . \$ 55.00  
 248 Filing annual statement . . . . . 100.00  
 249 Certificate of authority . . . . . 10.00  
 250 Annual fees:  
 251 Filing annual statement . . . . . 100.00  
 252 Continuation of certificate of authority . . . . . 10.00

253 In addition to the above fees and as a condition precedent to the  
 254 continuation of the certificate of authority, provided in this code every  
 255 corporation or association shall pay annually to the commissioner of insurance  
 256 a privilege fee in an amount equal to 2% per annum of the total of all  
 257 premiums, subscription charges, or any other term which may be used to  
 258 describe the charges made by such corporation or association to subscribers  
 259 in this state for hospital, medical or other health services or indemnity  
 260 received during the preceding year. In such computations all such  
 261 corporations or associations shall be entitled to deduct any premiums or  
 262 subscription charges returned on account of cancellations and dividends  
 263 returned to members or subscribers.

264 G  
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267 All insurers shall pay a fee of \$10 for issuance of an amended certificate of  
 268 authority.  
 269 For the purpose of insuring the collection of the tax upon premiums,  
 270 assessments and charges as set out in subsection A, C, D and F, every



271 insurance company, corporation or association shall at the time it files its  
272 annual statement, as required by the provisions of K.S.A. 40-225, make a  
273 return, verified by affidavits of its president and secretary or other chief  
274 officers, to the commissioner of insurance stating the amount of all premiums,  
275 assessments and charges received by the companies or corporations  
276 corporations and nonprofit optometric service corporations in this state,  
277 whether in cash or notes, during the year ending on the December 31 next  
278 preceding.

279 Upon the receipt of such returns the commissioner of insurance shall  
280 verify the same and assess the taxes upon such companies, corporations or  
281 associations on the basis and at the rate provided herein and such taxes shall  
282 thereupon become due and payable.

283 Section 2. K.S.A. 40-252 is hereby repealed.

284 Section 3. This act shall take effect and be in force from and after its  
285 publication in the statute book.

0319 state for hospital, medical or other health services or indemnity  
0320 received during the preceding year. In such computations all  
0321 such corporations or associations shall be entitled to deduct any  
0322 premiums or subscription charges returned on account of can-  
0323 cellations and dividends returned to members or subscribers.

0324 **G**  
0325 All insurers shall pay a fee of \$10 for issuance of an amended certificate of  
0326 authority.

0327 For the purpose of insuring the collection of the tax upon  
0328 premiums, assessments and charges as set out in subsection A, C,  
0329 D and F, every insurance company, corporation or association  
0330 shall at the time it files its annual statement, as required by the  
0331 provisions of K.S.A. 40-225, make a return, verified by affidavits  
0332 of its president and secretary or other chief officers, to the  
0333 commissioner of insurance, stating the amount of all premiums,  
0334 assessments and charges received by the companies or corpora-  
0335 tions in this state, whether in cash or notes, during the year  
0336 ending on the December 31 next preceding.

estimated

0337 Commencing in 1984 and annually thereafter the taxes shall  
0338 be paid as follows: On or before June 15 and December 15 of  
0339 such year an amount equal to 50% of the full amount of the prior  
0340 year's taxes shall be remitted to the commissioner of insurance.

As used in this paragraph, "prior year's taxes" includes (1) taxes assessed pursuant to this section for the prior calendar year, (2) fees and taxes assessed pursuant to K.S.A. 40-253 for the prior calendar year, and (3) taxes paid for maintenance of the department of the state fire marshal pursuant to K.S.A. 75-1508 for the prior calendar year.

0341 Upon the receipt of such returns the commissioner of insur-  
0342 ance shall verify the same and assess the taxes upon such  
0343 companies, corporations or associations on the basis and at the  
0344 rate provided herein and the balance of such taxes shall there-  
0345 upon become due and payable, giving credit for amounts paid  
0346 pursuant to the preceding paragraph, or the commissioner shall  
0347 make a refund if the taxes paid in the prior June and December  
0348 are in excess of the taxes assessed.

as reported by the company

0349 Sec. 2. K.S.A. 40-252 is hereby repealed.  
0350 Sec. 3. This act shall take effect and be in force from and  
0351 after its publication in the Kansas register.



TOPEKA

## SENATE CHAMBER

TO: Members of the Joint Senate and House Committees

FROM: Senator Paul Hess - Senate Ways & Means Chairman  
 Rep. Bill Buntten - House Ways & Means Chairman  
 Senator Elwaine Pomeroy - Senate Judiciary Chairman  
 Rep. Bob Frey - House Judiciary Chairman

DATE: Friday, January 20, 1984

RE: Joint Committee on Appellate Court Expansion

The Chairman of the Senate and House Judiciary and Ways and Means Committees have appointed the following members to serve on a joint committee to consider the Appellate Court Expansion.

Members Include:

Senate Ways and Means

Paul Hess - Chairman  
 Merrill Werts  
 Frank Gaines

House Ways and Means

Bill Buntten  
 Bob Arbuthnot  
 Rochelle Chronister

Senate Judiciary

Wint Winter  
 Paul Feleciano  
 ██████████ Norman Gaar

House Judiciary

Bob Frey - Vice Chairman  
 Vic Miller  
 Steve Schweiker

Jack Steineger - Senate Minority Leader  
 Marvin Barkis - House Minority Leader

Bob Talkington - Senate Majority Leader  
 Joe Hoagland - House Majority Leader

The joint committee Chairman, Paul Hess and Vice Chairman, Bob Frey, will contact the members for the first meeting time and place.