

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at _____
Chairperson4:30 a.m./p.m. on April 3, 1984 in room 123-S of the Capitol.All members were present except:
Senators Doyen and McCray

Committee staff present:

Research Department: Ed Ahrens, Mary Galligan, Lynne Holt, Sherry Brown
Revisor's Office: Norman Furse
Committee Office: Mark Skinner, Doris Fager

Conferees appearing before the committee:

Bob Clester, Kansas Sheriffs Association
Bud Cornish, Kansas Association of Property and Casualty Insurance Companies
Jerry Marlatt, Kansas State Council of Firefighters
James Todd, Kansas State Firefighters Association
Richard Brock, Insurance DepartmentPROPOSED BILL INTRODUCTIONS

The governor had requested introduction of a bill to reduce contributions to KPERS from 4% to 3% for state employees and schools. No motion was made to introduce the bill.

A bill had been suggested which would require a competency evaluation for an inmate in the Department of Corrections be done at the closest mental health center unless that center indicated in writing they were not able to perform that service. Senator Hess indicated that it is his understanding the Chief Justice is writing a directive not to use the Larned and Osawatomie State Hospitals, so it may be that a bill is not necessary at this time.

The Governor had requested bills to be introduced concerning the Department of Corrections. The Chairman indicated that all the requests made by the Governor had been brought before the House Ways and Means Committee, and bills had been introduced there. It was decided that no bills would be introduced by this committee at this time.

SB 682 - KPERS: Normal retirement date for certain sheriffs

Mr. Clester indicated that, at the present time KP&F retirement is available by local option to local county sheriffs, and the regular KPERS plan is also available. At the present time the modified KPERS plan is not available, and the Sheriffs Association had asked that it be mandated in SB 682. He requested that the bill be amended to provide that the latter plan be optional as well.

Motion was made by Senator Gaines and seconded by Senator Steineger to amend SB 682 as follows: To provide that it is not mandatory for sheriffs and deputies to be under the modified KPERS plan; to include EMS people in the provisions of the bill; and to include city and county police and firemen; and to include any supporting language needed to carry out the motion. The motion carried by voice vote.

Motion was made by Senator Gaines and seconded by Senator Steineger to report SB 682 as amended favorably for passage. The motion carried by roll call vote.

HB 3090 - Taxes on Insurance Premiums for firefighters relief

Mr. Cornish indicated the bill would amend the Firemens Relief Tax Act that has been on the books since about 1895. He said the interest involving the insurance companies is that they pay a 2% gross premium tax on fire premiums in support of Firemens Relief Associations. These have grown to about 441 associations today. The statute now requires insurance companies to determine boundaries of the various associations, and Mr. Cornish

HB 3090 - Continued

indicated this is a very large task. He added that insurance companies support the bill because it eliminates that administrative cost. In spite of the fact that costs will increase for insurance companies, it is supported by those companies because there will be a flat 2% rate on fire premiums written in the entire state rather than in those districts designated as risks. This will eliminate the determination of boundaries.

Mr. Cornish said that domestic associations receive an offset in firemen's relief tax against gross premium tax. The amount the domestic companies will pay in addition amounts to about \$600,000 more a year. There is a floating formula established in the bill that reduces domestics' 100% offset to about 65%. There were questions from committee members asking for clarification of the bill's provisions.

Mr. Marlatt appeared in support of HB 3090. He said the distribution of monies will be changed in the provisions of the bill, and places the burden of proof on the Relief Associations.

Mr. Todd indicated the firemen want the proceeds of the tax in question to go only to benefits for service-connected injuries. When asked if they shouldn't have workers' compensation, he said they are covered better through insurance companies. Senator Hess indicated there is a debate on whether or not these should be uniform benefits statewide versus letting local fire districts decide their own benefit package.

Mr. Brock indicated there are references in the bill on lines 230, 245, 249 and 256 to paragraph 5 and he said this should be paragraph 4.

There were questions from committee members concerning the contents of the bill.

Motion was made by Senator Steineger and seconded by Senator Gaines to amend the bill as suggested by Mr. Brock, and to report HB 3090 as amended favorably for passage. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.