

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 11:57 a.m. on April 30, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Marc Rhoades- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Heather O'Hara, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Stephen Huggins, Chief of Staff, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Conferees attending:

Representative Kinzer - Proponent

Representative Jack - Proponent

Others attending:

See attached list.

- Attachment 1 HR 6036 Constitutional Issues - Representative Jack
- Attachment 2 HR 6036 Testimony - Representative Kinzer
- Attachment 3 HR 6036 Testimony - Kansas Chamber
- Attachment 4 HR 6036 Amendment
- Attachment 5 SB 581 Supplemental Note

Chairman Yoder expressed his appreciation of committee members and staff for their hard work on the Appropriations Committee, and reviewed the meeting agenda.

HR 6036 - Requiring the Attorney General of the State of Kansas to bring an action challenging the constitutionality of the Federal health care reform package

Representative Jack discussed Constitutional issues of HR 6036, (Attachment 1). He stated that this is an unprecedented form of federal action and emphasized the need for Kansas to have a voice in the outcome.

Representative Jack responded to questions from committee members. He stated that the State of Kansas Attorney General would be responsible for signing legal briefs, and that no other resources would be required to be allocated from this office. Representative Jack noted the 20 states who have joined the lawsuit are listed in the bill. He discussed the benefits of Kansas joining other states in the lawsuit.

Discussion followed by committee members in support of and in opposition to health care reform.

Representative Kinzer provided testimony on HR 6036, (Attachment 2). He reviewed three issues concerning statutory authority; Patient Protection and Affordable Care Act, and litigation. Representative Kinzer discussed the limitation of the federal government to certain enumerated powers as set forth in Article 1, Section 8 of the Constitution. He noted that over a dozen states have initiated litigation contending that this provision violates the constitutional prohibition against unlawful capitation or direct taxes.

Chairman Yoder referred to written testimony from the Kansas Chamber as a proponent of HR 6036, (Attachment 3).

Representative Merrick made a motion to approve an amendment to HR 6036, (Attachment 4). The motion was seconded by Representative Kelley. Motion carried.

Representative Burroughs made a motion that the Kansas Chamber cover litigation costs. No Representative seconded the motion.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:00 a.m. on April 30, 2010, in Room 346-S of the Capitol.

Representative Merrick made a motion to approve **HR 6036** favorable for passage as amended. The motion was seconded by Representative Kelley. Motion carried.

SB 581 - Hiram Price Dillon House transfer to Kansas arts commission

Jim Wilson, First Assistant Revisor of Statutes, Kansas Office of Revisor of Statutes, reviewed the supplemental note on **SB 581**, (Attachment 5). He discussed the transfer of this property to the Kansas Arts Commission and the commission's plans for renovation through fund-raising efforts.

Mr. Wilson responded to questions from committee members. He stated that this bill transfers the Hiram Price Dillon House property from the Secretary of Administration to the Kansas Arts Commission. This bill creates an advisory board as a not-for-profit organization. He stated that it would require legislation to sell this property. Discussion was held regarding the need to keep the facility without spending additional dollars and the need for the Legislators to have access to the facility for events or meetings.

Discussion followed by committee members regarding the Kansas Arts Commission's plans to renovate and utilize this building. It was noted that the state would continue to have ownership of the building without the burden of restoring, maintaining and renovation costs.

Marilyn Jacobson, Director, Division of Finance and Facilities Management, Department of Administration, responded to questions from committee members. She stated the care, charge, management and control of this building is presently under the Department of Administration. The use of the space and policies is controlled by the Legislative Coordinating Committee, she added. Ms. Jacobson stated that the Department of Administration views this building as property of the Legislature. She added that the department is in favor of the property transfer to the Kansas Arts Commission.

Ms. Jacobson responded to questions from committee members. She stated that the estimated renovation cost is \$3 million, and only when a building is up for sale would a property appraisal be conducted. Ms. Jacobson noted that the monumental surcharge, which is based on square footage, for state agencies located in Shawnee County goes toward maintenance and up-keep of the Kansas Judicial Center, Cedar Crest, State House, and free parking in surfaced lots. There would not be a surcharge on the Hiram Price Dillon House, as this is property of the Legislature, she added.

Llewellyn Crain, Executive Director, Kansas Arts Commission, responded to questions from committee members. She stated that the Kansas Arts Commission receives approximately \$3,000 from the state per month for rent at the Jayhawk Tower, and an allocation from State General Funds. The commission would hope that this funding would continue with the transfer of this property for maintenance, rental and operational expenses. Ms. Crain stated that the renovation would take approximately three to four years, and no requests for increased funding would be requested as costs would be covered through fund raising efforts.

Jonathan Tang, Analyst, Kansas Legislative Research Department, responded to questions from committee members. He referred to the section in the bill for the state operations and the Arts Programming Challenge Grant for the Kansas Arts Commission.

Representative Feuerborn made a motion to approve **SB 581** favorable for passage. The motion was seconded by Representative Ballard.

Discussion followed by committee members in approval of and in opposition to this bill.

Representative Feuerborn renewed the motion. Motion carried.

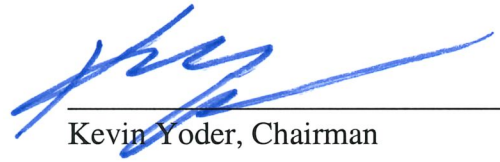
Committee members expressed their appreciation of Chairman Yoder's leadership.

Chairman Yoder stated that further committee meetings will be on call of the Chair for the following week.

The meeting was adjourned at 1:15 p.m.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:00 a.m. on April 30, 2010, in Room 346-S of the Capitol.



Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-30-10

NAME	REPRESENTING
Levi Henry	Sandstone Group LLC
Gene Meyers	Kansas Reporter
Leavellyn Crai	Kansas Arts Commission
Don Murray	NFIB
S. Peterson	K-STATE
Julie Hearn	Hern Law Firm
Kim Fader	Judicial Branch
Michelle Bonfles	Cap. Strateges

Constitutional Issues

Way back in 1994 a Congressional Budget Office memorandum said, "A mandate requiring all individuals to purchase health insurance would be an unprecedented form of federal action. The government has never required people to buy any good or service as a condition of lawful residence in the United States."

The tax aspect as it is currently derived is unconstitutional as it is a direct tax on the person because it is not a tax on activity or income. It is a tax on the actual person. Likewise, Social Security and Medicare taxes are income taxes

The health care mandate does not purport to regulate or prohibit activity of any kind, whether economic or noneconomic. It regulates economic inactivity.

If Congress has the power to regulate economic inactivity, such as the decision not to purchase health insurance, then there would be no limit to its power and the Commerce Clause would reign supreme in every conceivable circumstance. Congress could mandate anything it wanted. It would signal the end of our constitutional federalism.

The state gets that authority from a different place in the constitution – the State's police power. It is also voluntary to purchase a car which would then require auto insurance.

Kansans Must be Heard

The issues I have brought forth today are substantive legal issues in which reasonable constitutional scholars can disagree. That is the definition of a litigation point.

Representatives, this is the seminal constitutional event of our generation. Kansas must have a voice in the outcome. You know, sometimes when you are trying to figure out how to go forward, it helps a little bit if you look backwards first. We must never forget that our state's founding fathers came here to the front lines to lead the fight for liberty and freedom in the 1850's during "Bleeding Kansas" to ensure that Kansas became another Free State in the Union.

And it was a Kansan, General Dwight Eisenhower, who planned the historic D-Day landings at Normandy during World War II. Other Kansans like Walter Chrysler, William Allen White and Amelia Earhart all set examples for the rest of the world to follow.

I ask you to join me in reminding our governor and attorney general that Kansas is not a state that sits on the sidelines and we never have been.

How many states have joined the lawsuit?

20 states have joined and Kansas would be the 21st state. The lawsuit has been filed the Northern District of Florida. The appeal would then likely go to the 11th Circuit Court of Appeals and then to SCOTUS.

What is the fiscal note to the State of Kansas if we join the lawsuit?

C.B. Upton – Florida Deputy Solicitor General

The petitioners are using an outside law firm and the cost is capped at \$50,000. Two states are paying \$1,000 each and Florida is paying about \$5,000. Eight states are sharing the balance of the expense. Furthermore, the remaining nine states that have joined the lawsuit have chosen not to share in the price. Kansas will have the choice of how much to spend. Whatever we decide, the cost will be significantly less than the new costs passed down to the state from the federal legislation.

The Wichita Eagle reported that the governor said the outcome will be binding on Kansas therefore there is no reason to join the lawsuit. He also said it is “a matter of dollars and cents.” He is right. North Carolina estimates an additional \$400 million per year in Medicaid spending. Indiana estimates another \$2.3 billion through 2019. The democrat governor of Tennessee said, “This is the mother of all unfunded mandates.”

Richard S. Foster is the chief Medicare actuary. The April 24, 2010 issue of the New York Times quoted him saying that any savings in Medicare and Medicaid costs “would be more than offset through 2019 by the higher health expenditures resulting from the coverage expansions.” In fact, half the cost is via Medicaid expansion to go up by 20 million over the next nine years.

The KHPA says 100,000 more people will simply be dumped into Kansas Medicaid. This will devastate the state budget. The Kansas Insurance Department says nationally the new fees include tens of billions of dollars annually on the pharmaceutical sector, on medical device manufacturers and on the health insurance sector.

KHPA quotes:

“Many states are likely to raise significant concerns...especially given the historical challenges states have faced in procuring timely and adequate [Medicaid] services. This provision carries a cost to Kansas, but we do not know how to quantify that cost.”

“These costs are very close to premiums in effect under the recent expansion of public benefits in Massachusetts. Many question whether current Medicaid rates would be sufficient to purchase access for expansion given the limited number of providers available at current rates. “

“If our estimates were off by as much as 30,000 adults and kids newly enrolling in Medicaid for example, the total cost of reform could be another \$10-15 million per year higher than we expected.”

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TOPEKA

LANCE KINZER

REPRESENTATIVE, 14TH DISTRICT

April 30, 2010

COMMITTEE ASSIGNMENTS
CHAIRMAN: JUDICIARY
MEMBER: CORRECTIONS AND
JUVENILE JUSTICE

TESTIMONY BEFORE HOUSE COMMITTEE ON APPROPRIATIONS

Thank you for allowing me to testify with respect to HR 6036. I'd like to address three discrete issues here today. 1) The Kansas House has clear statutory authority to direct the Attorney General to appear for the State in any matter in which the Kansas has an interest; 2) A good faith basis exists to contend that the "Patient Protection and Affordable Care Act" violates the U.S. Constitution; 3) Litigation as to this question is underway and it is important that Kansas participate in such litigation given its profound implications for the citizens of our State.

I. HCR 6036 is an Exercise of Clear Statutory Authority

HCR 6036 represents an exercise of clear statutory authority under Kansas law. K.S.A. 75-702 provides that the Attorney General, when directed by the Governor or either branch of the legislature, shall appear in any matter in which the State is interested. The Kansas legislature has exercised this statutory authority in previous instances. In the case of State, ex rel., v. Dawson (86 K. 180) the Kansas Supreme Court made it clear that this provision is mandatory in nature with respect to the duty of the Attorney General to comply.

II. The "Patient Protection and Affordable Care Act" Raises Serious Constitutional Questions

"[I]n the first place it is to be remembered that the general government is not to be charged with the whole power of making and administering laws. Its jurisdiction is limited to certain enumerated objects." James Madison

The limitation of the federal government to certain enumerated powers is lynchpin of our system of government. The core powers of the federal government are set forth at Article I, Section 8 of the Constitution which provides:

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States; To borrow money on the credit of the United States; To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes; To establish a uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States; To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures; To provide for the Punishment of counterfeiting the Securities and current Coin of the United States; To establish Post Offices and Post Roads; To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries; To constitute Tribunals inferior to the supreme Court; To define and punish Piracies and Felonies committed on the high Seas, and Offenses against the Law of Nations; To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water; To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years; To provide and maintain a Navy; To make Rules for the Government and Regulation of the land and naval Forces; To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions; To provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority

of training the Militia according to the discipline prescribed by Congress; To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings; And To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

The salient question is which of the powers enumerated above grants the federal government authority to mandate that all legal residents of the United States have qualifying healthcare coverage or pay a tax penalty? Reliance upon the commerce clause (in bold above) as justification raises profound issues. In particular one must ask if the commerce clause extends to allow regulation of an individual decision NOT to engage in commerce then what possible limit is there on federal power.

Even the Supreme Court's extremely broad commerce clause jurisprudence (see *Gonzales v. Raich* 545 U.S. 1 (2005) where federal regulation of cultivation of marijuana for personal use was upheld) has never extended as far as would be required to uphold the "Patient Protection and Affordable Care Act." Most notably one can look to *United States v. Lopez* 514 U.S. 549 (1995), for the principle that the commerce clause does not extend to allow regulation of conduct that does not constitute "economic activity." Again, what is being proscribed against by the federal law is the very opposite of economic activity.

The new law's imposition of a tax as punishment for those who do not comply raises its own set of constitutional questions. Congress cannot avoid the limits upon its powers under the commerce clause by relying upon its power to tax. As one commentator noted, "If the rule were otherwise, Congress could evade all constitutional limits by "taxing" anyone who doesn't follow an order of any kind—whether to obtain health-care insurance, or to join a health club, or exercise regularly, or even eat your vegetables." Indeed, more than a dozen states have already initiated litigation contending that this provision violates the constitutional prohibition against unlawful capitation or direct taxes. In other words, the tax at issue in the bill is a direct per person tax not apportioned among the states consistent with the census and as such violates Article 1 Section 9 of the Constitution.

Both the commerce clause issue and the capitation tax issue feed directly into a broader issue relating to the Tenth Amendment which provides that, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." An expansion of federal power, under either the commerce clause or the taxing authority, to the extent set forth in the "Patient Protection and Affordable Care Act" would render the Tenth Amendment a dead letter by removing any plausible limitation on federal power.

It is perhaps for this very reason that Thomas Jefferson defined the Tenth Amendment as "the foundation of the Constitution" and added that, "to take a single step beyond the boundaries thus specially drawn ... is to take possession of a boundless field of power, no longer susceptible of any definition."

III. Kansas Has a Clear Interest in Participating in Litigation That Will Resolve These Important Issues

As you are likely well aware many states have already moved forward with litigation addressing some of the questions addressed above. The outcome of these cases will have profound affects upon all Kansans and as such it is imperative that we not sit on the sidelines. More important that the constitutionality of the “Patient Protection and Affordable Care Act” itself are the federalism issue implicit in this debate. Whether one supports or opposes the policy goals of the federal law the question must still be asked, do the ends justify the means?

Having ceded to the federal government a limitless authority to regulate and tax we will have lost something very dear. We will have rewritten our basic constitutional order in a fashion inimical to the principals of ordered liberty. At one point in our history it was not thought odd for Patrick Henry to ask, “Is life so dear, or peace so sweet, as to be purchased at the price of chains or slavery?” We of course are not staking life or peace on the outcome of this debate. But the outcome of the litigation now in motion will profoundly influence the liberty of individual Kansas citizens and the authority of our State government to exercise appropriate authority within its proper sphere. It would be a shame for Kansas to stand silent in the face of so weighty a matter.



Legislative Testimony

April 30, 2010

Written Testimony before the House Appropriations Committee

HR 6036

Jeff Glendening, Vice President of Political Affairs
The Kansas Chamber

Thank you Chairman Yoder and members of the committee for the opportunity to voice the Kansas Chamber's support of HR 6036.

Health care remains a top concern for the Kansas business community. Kansas business leaders in the Chamber's most recent annual CEO Poll responded that an important way to improve the profitability of their business is to manage their health care costs. Reducing the government-driven cost of doing business, such as addressing taxes, health care, workers' comp, unemployment compensation, burdensome regulation and tort reform was the number one growth strategy for our state according to the respondents.

When the business leaders were asked if they support the health care plan proposed by President Obama, an overwhelming 70% voiced their opposition with 64% being strongly opposed.

The free market and the right of individuals and businesses to make their own health care coverage decisions is a vital component to health care policy. Kansans should dictate the direction of their health care, not government. Unfortunately, with the passage and signing of H.R. 3590 (The Patient Protection and Affordable Care Act), Kansans have had that opportunity stripped away at the cost of an inferior quality health product at a greater financial expense.

Included in the nearly \$2 trillion dollar package are \$569 billion in new and increased taxes on individuals and businesses including:

- 1) \$2.3 billion annual fee on the pharmaceutical manufacturing sector (increases to \$4.1 billion in later years);

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- 2) \$2 billion annual fee on the medical device manufacturing sector (increases to \$3 billion in 2018); and
- 3) \$2 billion annual fee on the health insurance sector (increases to \$4 billion in 2012, \$7 billion in 2013, \$9 billion in 2014 and \$10 billion in 2017).

Kansas employers with more than 50 employees will be required to offer coverage or pay a \$2,000 fine per employee beginning in 2014 if at least one employee receives a subsidy to purchase insurance through the state health insurance exchange.

Businesses with more than 50 employees that do offer health benefits will face a \$3,000 fine for each full-time employee who opts out and receives a subsidy to purchase coverage through an exchange. (The total employer penalty is capped at the maximum penalty amount it would face if it did not offer any coverage at all.)

Furthermore, an employer plan must cover a specific set of services to be determined by the federal government.

Kansas Senator Pat Roberts recently released the following list of the federal health care reform bill's impact on our state:

- 1) Every Kansan's share of the national debt will increase when you include the cost of paying doctors to see Medicare patients.
- 2) \$8,470 in new government spending for every Kansan. (1)
- 3) 44,000 Kansans enrolled in Medicare Advantage will have their benefits reduced by half according to the CBO director. (2)
- 4) Approximately 1 million Kansas households making less than \$200k will pay higher taxes, based on estimates by the Joint Committee on Taxation. (3)
- 5) 182,000 Kansans in the individual health insurance market will see premium rate increases of up to 49% based upon a BlueCross/BlueShield study and other analysis. (4)
- 6) Kansas small businesses employing 50 or more people, and 2,956 Kansas construction companies employing 5 or more, will pay either higher health care costs or a new penalty because of new government mandates. (5)
- 7) 194,000 Kansas college students will be overcharged an average \$1,860 on their student loans to fund health care and other government programs. (6)
- 8) \$136 million in new costs to Kansas (due to the Medicaid expansion) will force the governor and legislature to raise taxes, raise college tuition, decrease the quality of education, or all three. (7)

9) The youngest 30% of Kansans will pay 35% more as premiums go up in the individual market. (8)

10) 116,000 low-income Kansans will be added to the Kansas Medicaid program even though only 50 percent of doctors nationally are willing to see new Medicaid patients. (9)

The impacts from the federal health care reform measure on the job creators of Kansas is unquestionably significant and we support efforts to force the Attorney General of the State of Kansas to challenge the constitutionality of H.R. 3590 in federal court.

Thank you again for the opportunity to convey the Kansas Chamber's support for HR 6036.

1. \$2.6 trillion cost/307 million Americans/2.8 million Kansans
2. Center for Medicare and Medicaid Services
- 3 The Joint Committee on Taxation estimated that 73 million households making less than \$200k will pay higher taxes under this bill. Kansas has 1.1 million households, 97% of which earn under \$200k according to the U.S. Census.
- 4 6.5% of 2.8 million Kansans purchase health insurance in the individual market
- 5 U.S. Census
- 6 Average Kansas student debt of \$20,585 at 6.8% interest (gov't int. rate) vs. 5.3% (Alexander amendment)
- 7 FFIS is a joint subscription service of the National Governors Association and the National Conference of State Legislatures to track and report on the fiscal impact of federal budget and policy decisions on state budgets and programs.
- 8 Oliver Wyman report on the Impact of Health Insurance Reforms
- 9 Health Management Associates report



House Resolution No. 6036

By Representatives Jack, Landwehr, Siegfroid, Kelley, Mast, Hermanson, A. Brown, Brunk, Carlson, DeGraaf, Gordon, Horst, Kerschen, Kinzer, Kleeb, Merrick, O'Brien, O'Neal, Prescott, Rhoades, Seiwert and Suellentrop

3-29

join or

12 A RESOLUTION requiring the Attorney General of the State of Kansas
13 to bring an action challenging the constitutionality of the Federal
14 health care reform package.

15
16 WHEREAS, The United States Constitution establishes a limited federal
17 government, as expressed in the Bill of Rights, that protects the
18 freedom of individuals and the rights of states; and

19 WHEREAS, The United States Congress is urged to enact legislation
20 that respects and recognizes the rights of individuals, families, groups and
21 communities to make decisions about their health care insurance and
22 treatment options; and

23 WHEREAS, The "individual mandate" provision included in the
24 health care reform package requires all individuals to purchase health
25 insurance products and services; and

26 WHEREAS, Such individual mandates are contrary to the rights of a
27 free and prosperous people and deny individuals the right to make one
28 of the most basic health care decisions for themselves and their loved
29 ones; and

30 WHEREAS, The United States Supreme Court has recognized each
31 individual's freedom to refuse health care treatment; and

32 WHEREAS, On January 19, 2010, Florida Attorney General Bill
33 McCollum sent to Congressional leaders an analysis in which he outlined
34 the unconstitutionality of the individual health care mandates; and

35 WHEREAS, According to Attorney General McCollum's analysis, the
36 United States Congress does not possess the constitutional authority to
37 compel individuals under threat of government fines or taxes to purchase
38 an unwanted product or service simply as a condition of living in this
39 country; and

40 WHEREAS, With the legislation now passed, Attorney General
41 McCollum has stated that he will be compelled to file suit to challenge
42 the constitutionality of that provision; and

43 WHEREAS, Currently, numerous other states including South Caro-

1 lina, Nebraska, Texas, Utah, Pennsylvania, Washington, North Dakota,
2 South Dakota, Alabama, Michigan, Virginia, Idaho and Colorado have
3 agreed to join in the suit; and

4 ~~WHEREAS, The Patient Protection and Affordable Care Act, H.R.~~
5 ~~3590 is also before Congress; and~~

6 ~~WHEREAS, The Senate version of H.R. 3590 provides that the federal~~
7 ~~government would bear the cost of newly eligible Nebraska medicaid~~
8 ~~enrollees, but all other states would be required to appropriate funds to~~
9 ~~pay for H.R. 3590's new medicaid mandates; and~~

10 ~~WHEREAS, The fundamental unfairness of H.R. 3590 may give rise~~
11 ~~to claims under the due process, equal protection, privileges and immu-~~
12 ~~nities clauses and other provisions of the Constitution: Now, therefore,~~

13 *Be it resolved by the House of Representatives of the State of Kansas:*
14 *That in accordance with K.S.A. 75-702, the Attorney General of the State*
15 *of Kansas is hereby required to bring an action in the United States Dis-*
16 *trict Court challenging the Federal health care package in order to protect*
17 *the rights and freedoms that have been guaranteed Kansans under the*
18 *Constitution of the United States of America.*

passage

, the Patient Protection and Affordable Care Act,

join or

SESSION OF 2010

SUPPLEMENTAL NOTE ON SENATE BILL NO. 581

As Recommended by Senate Committee on
Ways and Means

Brief*

SB 581 amends statutes concerning the Hiram Price Dillon House (Dillon House). The bill would transfer the charge, care, management, and control of the Dillon House property from the Secretary of Administration to the Kansas Arts Commission. The bill would assign to the Commission duties that are currently assigned to the Legislative Coordinating Council, such as the acceptance of grants and contributions and the consumption of liquor on the Dillon House property. The bill would authorize the Commission to adopt policies regarding the use of the property and the assignment of space and facilities. Upon completion of necessary restoration and renovation, the Kansas Arts Commission would maintain a public office in the Dillon House and utilize the property for arts and cultural exhibitions, public programming, and educational programming. The bill would allow the agency to use rooms and other facilities of the Dillon House for public or private events, functions, or activities, with reasonable fees collected and deposited into the state treasury. The bill would establish the Hiram Price Dillon House Fee Fund in the state treasury.

The bill also would allow the agency to establish a not-for-profit organization to solicit and accept gifts, donations, and money to be used to restore, renovate, maintain, and furnish the Dillon House. Any funds collected could be deposited and maintained in financial institutions in an interest-bearing account or invested.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

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The bill would create the Dillon House Advisory Board to develop fundraising plans, provide recommendations to the agency regarding restoration and renovation plans, and advise the agency in the establishment of the not-for-profit organization. The bill would allow the President of the Kansas Senate and the Speaker of the House of Representatives to recommend to the agency individuals to serve as members of the Dillon House Advisory Board. No members of the Legislature would be eligible to serve on the Advisory Board. Members of the Board would serve at the pleasure of the Kansas Arts Commission and serve without pay and receive no subsistence allowance, mileage, or any other associated expenses.

Background

SB 581 was introduced by the Senate Committee on Ways and Means. The Kansas Arts Commission testified as a proponent. There were no opponents.

A fiscal note prepared by the Division of the Budget stated that passage of SB 581 would have a negligible fiscal impact on the budget of the agency for several years. No State General Fund moneys are being used to finance the renovation and restoration of the Dillon House.