

SESSION OF 2002

SUPPLEMENTAL NOTE ON SENATE BILL NO. 627

As Amended by Senate Committee on
Ways and Means

Brief*

SB 627, as amended, would provide guard members (called to state active duty for more than 30 consecutive days) reimbursement for the cost of their privately purchased or employer-provided health insurance. The bill also caps the reimbursement at an amount not to exceed the cost of insurance premiums paid under the state employees group health insurance plan, and provides direct reimbursement (rather than a tax credit) for those political subdivisions of the state that do not incur a tax liability.

Background

The Adjutant General testified the passage of the bill would prevent Kansas National Guard members called into state active duty for more than 30 consecutive days from losing medical coverage for themselves and their families. The bill would provide reimbursement for costs incurred in paying health care costs while on state active duty during disasters or civil unrest. The Senate Committee on Ways and Means amended the bill as follows:

- Removed the provision which provides an income tax credit for the member in paying for individual health insurance, and added a provision which allows the tax credit amount which exceeds the member's income tax liability to be carried over for credit in succeeding taxable years until the total amount of credit is used;
- Capped the amount of such reimbursements not to exceed the amount paid for individuals or family health insurance premiums under the state employees group health insurance plan; and

*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/cgi-bin/fulltext/bills.cgi>

- Allows political subdivisions of the state (those not incurring a tax liability) who are paying for health care related costs for individuals called into state active duty for more than 30 consecutive days, to be directly reimbursed for those costs in lieu of a tax credit.

The Adjutant General's Office stated that the fiscal impact could not be determined, because of the difficulty in estimating the number of personnel called for state active duty and the length of mobilization. The agency estimates that health care coverage costs \$26 per member of the Kansas National Guard per day, and the number of personnel activated and the length of mobilization would determine the amount of money to be reimbursed. The Department of Revenue estimates the SB 627 would result in administrative costs for the agency of \$21,640 and 0.5 FTE position during FY 2003 and \$18,634 in subsequent years. The Department notes that the tax credit provision of SB 627 more than likely would not have a fiscal effect on the state in FY 2003. The provisions of the bill would take effect upon its publication in the *Kansas Register*.