

MINUTES

JOINT COMMITTEE ON ADMINISTRATIVE RULES AND REGULATIONS

February 28, 2006
Room 231-N—Statehouse

Members Present

Senator Vicki Schmidt, Chairperson
Senator Donald Betts
Senator Karin Brownlee
Senator Ralph Ostmeyer
Representative Jan Pauls
Representative Sharon Schwartz
Representative Arlen Siegfroid
Representative Josh Svaty
Representative Mark Treaster

Members Absent

Senator Chris Steineger
Representative Carl Holmes, Vice Chairperson
Representative Lance Kinzer

Staff Present

Raney Gilliland, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Kenneth Wilke, Revisor of Statutes Office
Judy Glasgow, Secretary

Others Present

David Leffingwell, Kansas Animal Health Department
Paul Grosdidier, Kansas Animal Health Department
Mark Bozanyak, Capitol Strategies
Lindsey Douglas, Hein Law Firm
Merrill Befort, Kansas Department of Commerce
Patty Clark, Kansas Department of Commerce
Ali Sultani, Senate Intern
Chris Tymeson, Kansas Department of Wildlife and Parks
Sandy McAdam, Kansas Department of Health and Environment
Charles Hunt, Kansas Department of Health and Environment

Cheryl Banez Ocfemia, Kansas Department of Health and Environment
Sharon Wenger, Kansas Department of Health and Environment

The meeting was called to order by Senator Vicki Schmidt, Chairperson, at 3:00 p.m. on February 28, 2006.

The Chairperson recognized David Leffingwell, General Counsel, to speak to the proposed rules and regulations noticed for hearing by the Kansas Animal Health Department. KAR 9-32-1, definitions; KAR 9-32-2, identification requirements; KAR 9-32-3, movement of scrapie-infected or scrapie-exposed sheep and goats; KAR 9-32-4, movement into Kansas of sheep and goats intended for breeding; KAR 9-32-5, movement into Kansas of sheep and goats intended for slaughter; KAR 9-32-6, exhibition sheep and goats; KAR 9-32-7, sheep and goats consigned to Kansas livestock markets; and KAR 9-32-8, recordkeeping requirements.

David Leffingwell stated that the proposed rules and regulations were mandated by Chapter 9, Part 79, of the Code of Federal Regulations to bring Kansas into compliance with the federal requirements. He stated that the proposed rules and regulations were adopted as temporary regulations by the agency on December 20, 2005.

Staff noted that the definition for "administrator" as used in KAR 9-32-1 needs to be expanded to include the Kansas Livestock Commissioner, since he or his designee will be the individual in Kansas charged with enforcement of these regulations. Mr. Leffingwell stated that the agency would review the definition and make the changes to comply with the intent. A Committee member suggested that the portion of the definition not being adopted be included in the definition section for easier reference. After answering all questions from the Committee, Mr. Leffingwell was thanked by Chairperson Schmidt for his appearance before the Committee.

Chris Tymeson, Department Attorney, was recognized by Chairperson Schmidt, to speak to the proposed rules and regulations noticed for hearing by the Kansas Department of Wildlife and Parks. KAR 115-2-1, amount of fees; KAR 115-2-4, boat fees; and KAR 115-4-6, deer, firearm management units.

Mr. Tymeson gave a brief overview of KAR 115-2-1 and KAR 115-2-4 for Committee members. He explained that KAR 115-4-6 was amended to add the Fort Leavenworth area to the areas with urban unit designations, allowing greater flexibility and opportunity in managing the deer population on the Fort. Mr. Tymeson reported that KAR 115-25-5, turkey; open season, bag limit, and permits, an exempt rule and regulation, was being withdrawn by the agency. He responded to several questions of a general nature from Committee members. Chairperson Schmidt thanked Mr. Tymeson for appearing before the Committee.

Chairperson Schmidt called upon Patty Clark, Director of Community Development, to address the proposed rule and regulation noticed for hearing by the Department of Commerce (Attachment 1). KAR 110-13-4, regional business development funds; eligible projects.

Ms. Clark stated that the regional foundations had requested an increase in the amount allocated toward the administrative cost of overseeing this project from 5 percent to 10 percent. She stated that the foundations believe this amount would better reflect the expense of fund raising and marketing of the tax credits that are incurred by them. Members of the Committee requested that a list be provided of all the regional foundations. Ms. Clark stated that she could provide the list or that members could go to the Department of Commerce's website at www.kansascommerce.com to find them. Staff also noted that it would be helpful to furnish a copy of the quarterly audit

information as part of the economic statement. Patty Clark was thanked by the Chairperson for her presentation before the Committee.

Sharon Wenger was introduced by Chairperson Schmidt to speak to the proposed rule and regulation noticed for hearing by the Kansas Department of Health and Environment. KAR 28-1-2, designation of infectious or contagious diseases.

Ms. Wenger stated that KAR 28-1-2 includes the list of diseases to be reported by physicians. This list needs to be updated periodically to reflect changes in diagnostic tests and in the list of national notifiable diseases. She stated the reporting-related costs would be minimal and easily absorbed within already existing reporting requirements.

Committee members suggested that page 2 (22) be changed to read "influenza, which results in deaths in children under 18 years of age." Ms. Wenger responded to several general questions raised by the Committee and the Chairperson thanked her for appearing before the Committee.

Chairperson Schmidt recognized Susan Somers, Executive Director, to address the proposed rules and regulations noticed for hearing by the Kansas Board of Accountancy. KAR 74-4-1a, experience requirements for attest services; KAR 74-4-7, continuing professional education requirements; KAR 74-4-8, continuing professional education programs; requirements; KAR 74-5-2, definitions; KAR 74-5-101, independence; KAR 74-5-102, integrity and objectivity; KAR 74-5-202, compliance with standards; KAR 74-5-203, accounting principles; KAR 74-11-6, definitions; and KAR 74-11-7, renewal of a firm's registration.

Ms. Somers stated that KAR 74-4-1a, was amended to incorporate new standards promulgated by the Public Company Accounting Oversight Board (PCAOB) relative to firms that perform audits for public companies. KAR 74-4-7 eliminates the minimum, 20-hour requirement of continuing professional education hours in each year, but retains the 80-hour requirement during each biennial period. Other changes to the regulations were of a technical nature and updated materials adopted by reference.

Committee members noted that a statement should be included in the public notice that comments on the proposed rules and regulations would be accepted by e-mail. Ms. Somers stated that they would include this in future notices.

There being no questions on the proposed rules and regulations, Chairperson Schmidt thanked Susan Somers for her presentation before the Committee.

Raney Gilliland noted that there would probably have to be one more meeting of the Committee before the end of session to meet the time frame for public hearings. A tentative date prior to the Veto Session was discussed.

The meeting was adjourned at 4:15 p.m.

COMMITTEE COMMENTS ON PROPOSED RULES AND REGULATIONS

Kansas Department of Health and Environment. The Joint Committee on Administrative Rules and Regulations reviewed for public comment rules and regulations concerning designation of infectious or contagious diseases and had the following comment.

K.A.R. 28-1-2. Consider in subsection (a)(22), rewording the phrase to reflect the name of the disease and so that it would read "influenza, which results in the death of children under 18 years of age."

Kansas Animal Health Department. The Joint Committee on Administrative Rules and Regulations reviewed for public comment rules and regulations concerning definitions; identification requirements; movement of scrapie-infected or scrapie-exposed sheep and goats; movement into Kansas of sheep and goats intended for breeding; movement into Kansas of sheep and goats intended for slaughter; exhibition sheep and goats; sheep and goats consigned to Kansas livestock markets; and record-keeping requirements, and had the following comments.

General Comment. Consider the inclusion of the Livestock Commissioner in the definition of "administrator."

General Comment. Consider reworking the definition section so that the exclusions from the definitions provided later in the regulation would be included with the actual definition of the term.

Kansas Department of Wildlife and Parks. The Joint Committee on Administrative Rules and Regulations reviewed for public comment rules and regulations concerning amount of fees; boat fees; and deer, firearm management units, and had no comment.

Kansas Department of Commerce. The Joint Committee on Administrative Rules and Regulations reviewed for public comment rules and regulations concerning regional business development funds, eligible projects, and had the following comment.

Economic Impact. The Committee acknowledges the difficulty in providing detailed information about the economic impact on entities that are not using state moneys, but believes that the statement could be more complete with the inclusion of more information about potential economic impact created by the proposed increase for administrative cost.

Kansas Board of Accountancy. The Joint Committee on Administrative Rules and Regulations reviewed for public comment rules and regulations concerning experience requirement for attest services; continuing professional education requirements; continuing professional education programs, requirements; definitions; independence; integrity and objectivity; compliance with standards; accounting principles; definitions; and renewal of a firm's registration, and had no comment.

Prepared by Judy Glasgow
Edited by Raney Gilliland
and Melissa Calderwood

Approved by Committee on:

March 29, 2006
(date)