

Journal of the Senate

TWENTY-SEVENTH DAY

SENATE CHAMBER, TOPEKA, KANSAS
Wednesday, February 18, 2015, 2:30 p.m.

The Senate was called to order by President Susan Wagle.
The roll was called with 40 senators present.
Invocation by Father Don Davidson:

Dear Lord, some Christians look a little strange today, walking around with a dirty smudge on their foreheads. Today is Ash Wednesday, the day during each year that we remember that our earthly lives will end and that we have only a certain number of days to make Your creation better for those who follow us. The dirty smudge is a cross of ashes. Ash Wednesday pushes us to acknowledge our mortality that from the earth we came and unto the earth we will go, when our lives reach an end. Dear God, please help us to consider the great gift of life and to live it not only unto ourselves but for those who follow in the generations yet to come. In Your holy name we pray. Amen

The Pledge of Allegiance was led by President Susan Wagle.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were introduced and read by title:

SB 251, AN ACT concerning taxation; relating to the earned income tax credit; reducing amount thereof and limiting credit to tax liability of taxpayer; amending K.S.A. 2014 Supp. 79-32,205 and repealing the existing section, by Committee on Assessment and Taxation.

SB 252, AN ACT concerning crimes and punishment; relating to unlawful abuse of toxic vapors; amending K.S.A. 2014 Supp. 21-5712 and repealing the existing section, by Committee on Federal and State Affairs.

SB 253, AN ACT concerning utilities; relating to the renewable energy standards act, sunset; amending K.S.A. 2014 Supp. 66-1256 and 66-1258 and repealing the existing sections, by Committee on Federal and State Affairs.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to Committees as indicated:

Ethics and Elections: **SB 239**.
Federal and State Affairs: **SB 242, SB 243**.
Financial Institutions and Insurance: **SB 240**.
Local Government: **SB 244, SB 247**.
Transportation: **SB 245; HB 2013, HB 2091**.

Utilities: **SB 246**.

Ways and Means: **SB 241, SB 248, SB 249, SB 250**.

REFERENCE OF APPOINTMENTS

The following appointments made by the Governor and submitted to the Senate for confirmation, was referred to Committee as indicated:

Judge, Kansas Court of Appeals:

Kathryn Gardner, Topeka, effective upon the date of confirmation by the Senate, to serve a term as provided by K.S.A. 20-3010.

Committee on Judiciary

CHANGE OF REFERENCE

An objection having been made to **SB 43, SB 73** appearing on the Consent Calendar, the President directed the bills be removed and placed on the calendar under the heading of General Orders.

MESSAGE FROM THE HOUSE

Announcing passage of **HB 2124**.

INTRODUCTION OF HOUSE BILLS AND CONCURRENT RESOLUTIONS

HB 2124 was thereupon introduced and read by title.

INTRODUCTION OF ORIGINAL MOTIONS AND SENATE RESOLUTIONS

Senator King introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1717—

A RESOLUTION congratulating the Independence Lady Bulldogs tennis team on winning their 5th State Championship and commending Coach Ken Brown on his retirement.

WHEREAS, The Independence Lady Bulldogs tennis team won their 5th state title at the Kansas class 4A state championship; and

WHEREAS, The Lady Bulldogs won the team competition with a score of 46 points, beating out second-place McPherson by 9 points; and

WHEREAS, This year, the Lady Bulldogs won 79% of their matches, with 369 wins and 99 losses; and

WHEREAS, Members of this year's Independence Lady Bulldogs tennis team include: Sagan Shire, Halei Matthews, Shalei Matthews, Kalei Matthews, Qwynn Marquez, Calisse Papen, Katie Capps, Chelsea Cushing, Emily Wilson, Alex Keller, Abbi Groff, Caringtyn Julian, Anna Miller, Lyssa Schabel, Kaylee Bryant and Amanda Trout. The team's coach, Ken Brown, along with assistant coach Gina McLenon, worked diligently with this year's team, improving the team's skills and ultimately leading them to the 2014 class 4A state championship; and

WHEREAS, Being widely recognized as one of the preeminent tennis coaches in Kansas history, Ken Brown retired from his coaching career at the end of the 2014 fall season. Ken Brown devoted much of his professional life to teaching tennis to residents

of Independence, both young and old. He spent 23 years coaching Independence Community College tennis, 22 years coaching the Bulldog tennis boys team, 7 years coaching the Lady Bulldogs, 2 years coaching the Independence Middle School tennis team and 31 years directing City Recreation Summer Tennis; and

WHEREAS, Ken Brown coached teams that won four team state titles and five individual titles; and

WHEREAS, Ken Brown was the two-time Kansas Boys Tennis Coach of the Year, winning the award in 2000 and 2007; and

WHEREAS, Ken Brown and his coaching predecessors helped Independence achieve recognition by the United States Tennis Association as one of America's top three tennis towns: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That we congratulate the Independence Lady Bulldogs tennis team on its class 4A state championship. These young women have worked hard throughout the season, and this state title is a testament to that hard work; and

Be it further resolved: That we congratulate Ken Brown on a remarkable life spent molding the youth of Independence into champion athletes and even better men and women; and

Be it further resolved: That the Secretary of the Senate shall send an enrolled copy of this resolution to Senator Jeff King.

On emergency motion of Senator King **SR 1717** was adopted unanimously.

The Senate honored the team and coaches with a standing ovation.

REPORTS OF STANDING COMMITTEES

Committee on **Education** recommends **SB 60** be amended by substituting a new bill to be designated as "Substitute for SENATE BILL NO. 60," as follows:

"Substitute for SENATE BILL NO. 60

By Committee on Education

"AN ACT concerning schools; relating to the Kansas state high school activities association; relating to participation by certain students.";

And the substitute bill be passed.

Committee on **Public Health and Welfare** recommends **SB 123** be passed.

Committee on **Select KPERS** recommends **SB 168** be amended on page 3, following line 19, by inserting:

"Sec. 2. K.S.A. 2014 Supp. 74-4914d is hereby amended to read as follows: 74-4914d. Any additional cost resulting from the normal retirement date and retirement before such normal retirement date for security officers as provided in K.S.A. 74-4914c, and amendments thereto, and disability benefits as provided in K.S.A. 74-4914e, and amendments thereto, shall be added to the employer rate of contribution for the department of corrections as otherwise determined under K.S.A. 74-4920, and amendments thereto, except that the employer rate of contribution for the department of corrections including any such additional cost added to such employer rate of contribution pursuant to this section shall in no event exceed the employer rate of contribution for the department of corrections for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which security officers contribute during the period: (a) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to exceed more than 0.6% of the

amount of the immediately preceding fiscal year; (b) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (c) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (d) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%, except that if bonds issued pursuant to section 1, and amendments thereto, have debt service payments that are fully or partially financed through the use of capitalized interest, or have capitalized interest-only debt service payments, the employer rate of contribution shall be an amount not to exceed more than 1.1% of the amount of the immediately preceding fiscal year; ~~and~~ (e) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81% and for the fiscal year commencing in calendar year 2017, the employer rate of contribution shall be 10.48%, except that if bonds issued pursuant to section 1, and amendments thereto, have debt service payments that are fully or partially financed through the use of capitalized interest, or have capitalized interest-only debt service payments, the employer rate of contribution for both years shall be an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year; and (f) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year. As used in this section, "capitalized interest" means interest payments on the bonds that are pre-funded or financed from bond proceeds as part of the issue for a specified period of time in order to offset one or more initial debt service payments.

Sec. 3. K.S.A. 2014 Supp. 74-4920 is hereby amended to read as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation and appraisal as provided for in ~~subsection (3)(a) of~~ K.S.A. 74-4908(3)(a), and amendments thereto, the board shall certify, on or before July 15 of each year, to the division of the budget in the case of the state and to the agent for each other participating employer an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the system, to be paid by each such participating employer to pay all liabilities which shall exist or accrue under the system, including amortization of the actuarial accrued liability as determined by the board. The board shall determine the actuarial cost method to be used in annual actuarial valuations, to determine the employer contribution rates that shall be certified by the board. Such certified rate of contribution, amortization methods and periods and actuarial cost method shall be based on the standards set forth in ~~subsection (3)(a) of~~ K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be based on any other purpose outside of the needs of the system.

(b) (i) For employers affiliating on and after January 1, 1999, upon the basis of an annual actuarial valuation and appraisal of the system conducted in the manner provided for in K.S.A. 74-4908, and amendments thereto, the board shall certify, on or before July 15 of each year to each such employer an actuarially determined estimate of the rate of contribution which shall be required to be paid by each such employer to pay all of the liabilities which shall accrue under the system from and after the entry date as determined by the board, upon recommendation of the actuary. Such rate shall be termed the employer's participating service contribution and shall be uniform for all participating employers. Such additional liability shall be amortized as determined by the board. For all participating employers described in this section, the board shall

determine the actuarial cost method to be used in annual actuarial valuations to determine the employer contribution rates that shall be certified by the board.

(ii) The board shall determine for each such employer separately an amount sufficient to amortize all liabilities for prior service costs which shall have accrued at the time of entry into the system. On the basis of such determination the board shall annually certify to each such employer separately an actuarially determined estimate of the rate of contribution which shall be required to be paid by that employer to pay all of the liabilities for such prior service costs. Such rate shall be termed the employer's prior service contribution.

(2) The division of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services the sum required to satisfy the state's obligation under this act as certified by the board and shall present the same to the legislature for allowance and appropriation.

(3) Each other participating employer shall appropriate and pay to the system a sum sufficient to satisfy the obligation under this act as certified by the board.

(4) Each participating employer is hereby authorized to pay the employer's contribution from the same fund that the compensation for which such contribution is made is paid from or from any other funds available to it for such purpose. Each political subdivision, other than an instrumentality of the state, which is by law authorized to levy taxes for other purposes, may levy annually at the time of its levy of taxes, a tax which may be in addition to all other taxes authorized by law for the purpose of making its contributions under this act and, in the case of cities and counties, to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county, which tax, together with any other fund available, shall be sufficient to enable it to make such contribution. In lieu of levying the tax authorized in this subsection, any taxing subdivision may pay such costs from any employee benefits contribution fund established pursuant to K.S.A. 12-16,102, and amendments thereto. Each participating employer which is not by law authorized to levy taxes as described above, but which prepares a budget for its expenses for the ensuing year and presents the same to a governing body which is authorized by law to levy taxes as described above, may include in its budget an amount sufficient to make its contributions under this act which may be in addition to all other taxes authorized by law. Such governing body to which the budget is submitted for approval, may levy a tax sufficient to allow the participating employer to make its contributions under this act, which tax, together with any other fund available, shall be sufficient to enable the participating employer to make the contributions required by this act.

(5) (a) The rate of contribution certified to a participating employer as provided in this section shall apply during the fiscal year of the participating employer which begins in the second calendar year following the year of the actuarial valuation.

(b) (i) Except as specifically provided in this section, for fiscal years commencing in calendar year 1996 and in each subsequent calendar year, the rate of contribution certified to the state of Kansas shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than 0.2% of the amount of compensation upon which members contribute during the period.

(ii) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to the

state of Kansas and to the participating employers under K.S.A. 74-4931, and amendments thereto, shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%, except that if bonds issued pursuant to section 1, and amendments thereto, have debt service payments that are fully or partially financed through the use of capitalized interest, or have capitalized interest-only debt service payments, the employer rate of contribution shall be an amount not to exceed more than 1.1% of the amount of the immediately preceding fiscal year; ~~and~~ (E) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81% and for the fiscal year commencing in calendar year 2017, the employer rate of contribution shall be 10.48%, except that if bonds issued pursuant to section 1, and amendments thereto, have debt service payments that are fully or partially financed through the use of capitalized interest, or have capitalized interest-only debt service payments, the employer rate of contribution for both years shall be an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year; and (F) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year. As used in this subsection, "capitalized interest" means interest payments on the bonds that are pre-funded or financed from bond proceeds as part of the issue for a specified period of time in order to offset one or more initial debt service payments.

(iii) Except as specifically provided in this section, for fiscal years commencing in calendar year 1997 and in each subsequent calendar year, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed such participating employer's contribution rate for the immediately preceding fiscal year by more than 0.15% of the amount of compensation upon which members contribute during the period.

(iv) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed the contribution rate for such employers for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2013, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2015, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2016, an amount not to exceed more than 1.1% of the amount of the immediately preceding fiscal year; and (E) for the fiscal year commencing in calendar year 2017, and in each subsequent calendar

year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year.

(v) As part of the annual actuarial valuation, there shall be a separate employer rate of contribution calculated for the state of Kansas, a separate employer rate of contribution calculated for participating employers under K.S.A. 74-4931, and amendments thereto, a combined employer rate of contribution calculated for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, and a separate employer rate of contribution calculated for all other participating employers.

(vi) There shall be a combined employer rate of contribution certified to the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto. There shall be a separate employer rate of contribution certified to all other participating employers.

(vii) If the combined employer rate of contribution calculated for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, is greater than the separate employer rate of contribution for the state of Kansas, the difference in the two rates applied to the actual payroll of the state of Kansas for the applicable fiscal year shall be calculated. This amount shall be certified by the board for deposit as additional employer contributions to the retirement benefit accumulation reserve for the participating employers under K.S.A. 74-4931, and amendments thereto.

(6) The actuarial cost of any legislation enacted in the 1994 session of the Kansas legislature will be included in the June 30, 1994, actuarial valuation in determining contribution rates for participating employers.

(7) The actuarial cost of the provisions of K.S.A. 74-4950i, and amendments thereto, will be included in the June 30, 1998, actuarial valuation in determining contribution rates for participating employers. The actuarial accrued liability incurred for the provisions of K.S.A. 74-4950i, and amendments thereto, shall be amortized over 15 years.

(8) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the employer contribution rates certified for the employer contribution rate in the fiscal year immediately following such enactment. Such actuarial cost shall be determined by the qualified actuary employed or retained by the system pursuant to K.S.A. 74-4908, and amendments thereto, and reported to the system and the joint committee on pensions, investments and benefits.

(9) Notwithstanding the provisions of subsection (8), the actuarial cost of the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be first reflected in employer contribution rates effective with the first day of the first payroll period for the fiscal year 2005. The actuarial accrued liability incurred for the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be amortized over 10 years.

(10) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 2014 Supp. 74-49,114b, and amendments thereto, for retirants other than local retirants as described in subsection (11) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2007.

(11) The actuarial accrued liability incurred for the provisions of K.S.A. 2014 Supp. 74-49,114b, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and

firemen's retirement system shall be amortized over 10 years.

(12) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 2014 Supp. 74-49,114c, and amendments thereto, for retirants other than local retirants as described in subsection (13) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2008.

(13) The actuarial accrued liability incurred for the provisions of K.S.A. 2014 Supp. 74-49,114c, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

(14) The board with the advice of the actuary may fix the contribution rates for participating employers joining the system after one year from the first entry date or for employers who exercise the option contained in K.S.A. 74-4912, and amendments thereto, at rates different from the rate fixed for employers joining within one year of the first entry date.

(15) Employer contributions shall in no way be limited by any other act which now or in the future establishes or limits the compensation of any member.

(16) Notwithstanding any provision of law to the contrary, each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive director for credit to the Kansas public employees retirement fund within three days after the end of the period covered by the remittance by electronic funds transfer. Remittances of such deductions and contributions received after such date are delinquent. Delinquent payments due under this subsection shall be subject to interest at the rate established for interest on judgments under ~~subsection (a)~~ of K.S.A. 16-204(a), and amendments thereto. At the request of the board, delinquent payments which are due or interest owed on such payments, or both, may be deducted from any other moneys payable to such employer by any department or agency of the state.

Sec. 4. K.S.A. 2014 Supp. 74-4914d and 74-4920 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 4, after "procedures" by inserting "; employer contribution rates; amending K.S.A. 2014 Supp. 74-4914d and 74-4920 and repealing the existing sections"; and the bill be passed as amended.

COMMITTEE OF THE WHOLE

On motion of Senator Bruce, the Senate resolved itself into Committee of the Whole, for consideration of bills on the calendar under the heading of General Orders with Senator Pilcher-Cook in the chair.

On motion of Senator Pilcher-Cook the following report was adopted:

Recommended: **SB 24, SB 36** be passed.

SB 8, SB 11, SB 14, SB 17, SB 76, SB 101 be amended by the adoption of the committee amendments, and the bills be passed as amended.

Vice President King assumed the chair.

REPORT ON ENROLLED BILLS

SR 1711, SR 1712, SR 1713, SR 1714, SR 1715, SR 1716 reported correctly enrolled, properly signed and presented to the Secretary of the Senate on February 18, 2015.

On motion of Senator Bruce, the Senate adjourned until 2:30 p.m., Thursday, February 19, 2015.

ROSE MARIE GLATT, CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*
COREY CARNAHAN, *Secretary of the Senate.*

