

February 1, 2016

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 235-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 370 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 370 is respectfully submitted to your committee.

Under current law, Kansas cities and counties have the ability to establish a procedure to receive revenues not to exceed 15.0 percent of the proceeds of any insurance policy based on a covered claim payment made for damage or loss to a building or structure caused by any fire, explosion or windstorm within a city or county's limits. If rebuilt or repaired, the building's owner would be able to receive the insurance policy proceeds given to the city after 45 days, if the city or county has not instituted legal proceedings. SB 370 would remove from statute "caused by or arising out of any fire, explosion or windstorm" to enable other types of damage to be considered.

SB 370 would have no fiscal effect on the state. However, the bill would allow cities to accept payment from insurance policies on other types of loss, such as an earthquake, which would increase local revenues. The amount of potential increased revenues cannot be estimated.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Larry Baer, League of Municipalities
Melissa Wangemann, Association of Counties
Glenda Haverkamp, Insurance