

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Robert Olson at 9:30 am on Friday, May 15, 2020, in room 346-S of the Capitol.

All members were present except:

Senator Mary Ware – Excused

Senator Rick Wilborn – Excused

Substitute members:

Senator Jeff Longbine, appointed substitute member to the committee

Committee staff present:

Eileen Ma, Office of Revisor of Statutes

Melissa Renick, Legislative Research Department

Michael Welton, Committee Assistant

Reed Holwegner, Legislative Research Department

Conferees appearing before the Committee:

Doug Wareham, Kansas Bankers Association

Leonard Wolf, United Bank and Trust

Scott Schneider, Kansas Restaurant and Hospitality Association

Eric Stafford, Kansas Chamber

Dan Murray, NFIB-Kansas

Shauna Wake, Office of the State Treasurer

Stephanie Mullholland, Heartland Credit Union Association

Randy Stookey, Kansas Grain and Feed Association, Kansas Agribusiness Retailers Association, Renew Kansas Biofuels Association

Others in attendance:

[See Attached List](#)

Chairman Olson called the meeting to order and called upon Eileen Ma to present details for meeting access and information relating to the online streaming of the meeting.

Chairman Olson called upon Melissa Renick to discuss the status and differences of bills in conference, pending to concur/nonconcur and certain subject matter bills amended by or with no action by the House Chamber. ([Attachment 1](#))

Chairman Olson opened an informational hearing for the Economic Recovery Initiative.

Chairman Olson called upon Eileen Ma for a Revisor of Statutes review of the economic recovery

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initiative amendment known as 20rs3403. ([Attachment 2](#))

Chairman Olson brought to committee's attention the Fiscal Note for HB 2619 as amended that was specifically requested by the Chairman Olson. ([Attachment 3](#))

Chairman Olson called upon Doug Wareham for primary proponent testimony. Mr. Wareham requested that the Kansas Legislature consider the proposal that offers low-cost credit to agricultural producers and creates an economic recovery linked deposit loan program for small businesses, including farmers and ranchers affected by the pandemic. ([Attachment 4](#))

Chairman Olson called upon Leonard Wolfe for a proponent perspective from a community banker. Mr. Wolf suggested that the current healthcare pandemic has caused an economic crisis for his bank customers. He explained that the proposal provides tools that will help keep businesses, farms and their people working. ([Attachment 5](#))

Chairman Olson called upon Scott Schneider for a proponent perspective from the restaurant and hospitality industry. Mr. Schneider stated that his industry has never faced such extreme government intervention or such significant costs. He made several short-term requests from the legislature:

- Eliminate penalties and interest on property taxes
- Eliminate pre-paid sales taxes
- Allow to-go alcoholic drinks
- Limit public health related compliance liabilities
- Secure the long term financing tools
- Oppose the Kansas Department of Labor proposed rule of presumed workers compensation COVID-19 liability ([Attachment 6](#))

Chairman Olson called upon Dan Murray for a proponent perspective from the small business community. Mr. Murray presented a statistical analysis regarding the dire economic conditions facing small business. He expressed strong support for the economic recovery initiative. ([Attachment 7](#))

Chairman Olson called upon the Office of the State Treasurer for a proponent economic perspective. Ms. Shauna Wake emphasized the Kansas State Treasurer's support for the suspension of the use of the \$60 million for the Kansas Housing Loan Deposit Program and the authorization of the Treasurer's office to dedicate state idle funds to deposit in banks, savings and loans, credit unions, and farm credit system. ([Attachment 8](#))

Chairman Olson called upon Stephanie Mullholland for a proponent perspective from the credit union industry. Ms. Mullholland expressed support for the linked deposit loan program. She outlined other measures the credit unions were taking to help address the needs of its members:

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- Skip-a-payment on loans
- Emergency assistance & hardship loans
- Financial counseling & debt restructuring
- Community investments
- Low-interest business loans ([Attachment 9](#))

Chairman Olson called upon Randy Stookey for a proponent perspective from the agricultural sector. Mr. Stookey testified in support of 20rs3403. ([Attachment 10](#))

Written Only Proponent Testimony:

Aaron Popelka, Kansas Livestock Association ([Attachment 11](#))

Eric Stafford, Kansas Chamber ([Attachment 12](#))

Chairman Olson closed the hearing on the Economic Recovery Initiative.

Discussion and possible action on:

Chairman Olson opened discussion on **HB 2619 - Adjusting the frequency of the KPERS actuarial experience study** and called upon Eileen Ma for a Revisor of Statutes review of the bill. ([Attachment 13](#))

Senator Longbine motioned to remove the contents of HB 2619 and insert the contents of an amendment known as 20rs3403 into the Senate Substitute for HB 2619. Vice Chairman Billinger seconded the motion. The motion passed unanimously.

Senator Longbine motioned to pass out favorably as amended Senate Substitute for HB 2619. Vice Chairman Billinger seconded the motion. The motion passed unanimously.

Chairman Olson closed discussion on the bill.

Chairman Olson opened discussion on **HB 2480 - Updating the definition of long-term care insurance contained in the long-term care insurance act.**

Chairman Olson called upon Eileen MA for a Revisor of Statutes overview of **HB 2480; SB 289 - Updating the version of risk capital instructions in effect; SB 290 - Updating how the securities commissioner may be appointed and removed; SB 292 - Granting the commissioner of insurance flexibility in assessing certain excess lines coverage penalties; SB 304 - Establishing a process by which a reciprocal may convert into a mutual insurance company; and SB 402 - Updating producer licensing statutes pertaining to appointment, fees, licensing, renewal dates, continuing**

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education, suspension, revocation, and denial of licensure and reinstatement. ([Attachment 14](#))

*Senator Longbine motioned to maintain the contents of the **SB 2480** and add the contents of **SB 289, SB 290, SB 292, SB 304, and SB 402** into **Senate Substitute for HB 2480**. Senator Givens seconded the motion. The motion passed unanimously.*

*Senator Pyle motioned to pass out favorably **Senate Substitute for HB 2480** as amended. Senator Givens seconded the motion. The motion passed unanimously.*

Chairman Olson closed the discussion on the bill.

Chairman Olson opened discussion on **HB 2452 - Providing certain KP&F tier II spousal and children's benefits for death resulting from a service-connected disability** and called upon Eileen Ma for a Revisor of Statutes overview of the bill.

[\(Attachment 15\)](#)

*Senator Billinger motioned to pass out favorably **HB 2452**. Senator Longbine seconded the motion. The motion passed unanimously.*

Chairman Olson closed discussion on the bill.

Chairman Olson adjourned the meeting at 12:04 pm. There are no other committee meetings scheduled at this time.