

MINUTES OF THE HOUSE LOCAL GOVERNMENT COMMITTEE

The meeting was called to order by Chairman Steve Huebert at 3:30 p.m. on January 25, 2011, in Room 144-S of the Capitol.

All members were present.

Committee staff present:

Martha Dorsey, Kansas Legislative Research Department
Reed Holwegner, Kansas Legislative Research Department
Mike Heim, Office of Revisor of Statutes
Eunice Powers, Office of Revisor of Statutes
Florence Deeter, Committee Assistant

Conferees appearing before the Committee:

Kathy Sachs, Deputy Assistant Secretary of State, Administrative and E-Government Services
Bill Sneed, Legislative Counsel, State Farm Insurance Company

Others attending:

See attached list.

The Chairman called the meeting to order and introduced Bill Sneed, Legislative Counsel for State Farm Insurance Company. Mr. Sneed requested a bill be introduced to disallow response service fees being added to emergency rescue services (Attachment 1). The request is for an amendment to **K.S.A. 80-1557**, which deals with emergency care services. The Chairman said, without objection, the request is approved.

Kathy Sachs, Deputy Assistant Secretary of State, Administrative and E-Government Services, spoke to the committee regarding the status of cemetery trust funds (Attachment 2). She explained that the Permanent Maintenance Trust fund is in place for "time of need," and the Merchandise Trust Fund is used for wholesale purchase of merchandise used by owners of the cemetery. Ms. Sachs reported that trust funds of abandoned cemeteries are being improperly withdrawn and the Secretary of State's office has worked to recover more than half of those funds.

Responding to questions, Ms. Sachs said fees of \$20 per burial space and \$20 per pre-need contract sold are used to cover costs associated with auditor fees. Municipality and private church cemeteries are not required to contribute to this fund. She said the agency is entirely fee-funded.

Staff Eunice Powers, Office of the Revisor of Statutes, said a summary letter of the judge's rationale on the Haysville ruling will be available at the next meeting.

The meeting was adjourned at 3:55 p.m. The next meeting is scheduled for February 1, 2011.

HOUSE LOCAL GOVERNMENT

GUEST LIST

DATE: January 25, 2011

[illegible]

TO: The Honorable Steve Huebert, Chairman
House Local Government Committee

FROM: William W. Sneed, Legislative Counsel
The State Farm Insurance Companies

SUBJECT: Request for Bill Introduction

DATE: January 25, 2011

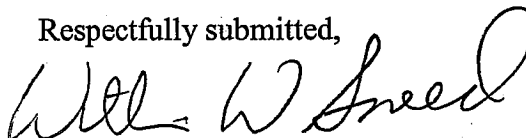
Mr. Chairman, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for The State Farm Insurance Companies. State Farm is the largest insurer of homes and automobiles in the United States and in Kansas. State Farm insures one out of every five cars and one out of every four homes in the United States.

Attached to this testimony is a proposed bill that would disallow response service fees being added to emergency rescue services. These fees are commonly referred to as a "crash tax." Several states have recently passed legislation barring this billing practice.

Obviously, we will provide additional testimony at the hearing, but at this time we would respectfully request that the House Local Government Committee introduce this legislation as a Committee bill.

I would be happy to answer any questions at your convenience.

Respectfully submitted,



William W. Sneed

WWS:kjb

555 South Kansas Avenue, Suite 101
Topeka, KS 66603
Telephone: (785) 233-1446
Fax: (785) 233-1939
wsneed@polsjnnelli.com

House Local Government

Date 1-25-11

Attachment 1

HOUSE BILL No. ____

By _____

AN ACT concerning townships and township offices; relating to fire protection; amending K.S.A. 80-6434 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 80-1557 is hereby amended to read as follows: 80-1557. (a) As used in this section:

(1) "Rescue service" means a service which provides emergency care by qualified personnel through a township or fire district fire department.

(2) "Emergency care" means the services provided after the onset of a medical condition manifesting itself by acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to: (A) place the patient's health in serious jeopardy; (B) seriously impair bodily functions; or (C) result in serious dysfunction of any bodily organ or part.

(3) "Qualified personnel" means any individual who holds a certificate as an attendant as defined in K.S.A. 65-6112, and amendments thereto.

(4) "Township" means any township which has established a fire department pursuant to K.S.A. 80-1901, *et seq.*, and amendments thereto.

(5) "Fire district" means any fire district which has established a fire department pursuant to K.S.A. 80-1540, *et seq.*, and amendments thereto.

(b) The township board or governing body of the fire district may authorize the township or fire district fire department to provide rescue service as a township or fire district function, within or without the township or fire district, or may contract with any person or governmental entity for the furnishing of rescue service and upon such terms and conditions, and for such compensation as may be agreed upon which shall be payable from the township general fund or the fire fund or the fire district fund.

(c) The township board or governing body of the fire district may establish charges to persons receiving rescue service inside or outside of such township or fire district. Rescue service shall not include an accident response service fee. As used in this subsection, the term "accident response service fee" means any fee imposed on the driver or owner of a motor vehicle, an insurance company or any other person, for the response to or investigation of a

motor vehicle accident, but does not include usual and customary fees for providing ambulance and emergency services when immediate action is required to save life or prevent suffering or disability or to protect and save property. The charges so made and received shall be deposited in the general funds of the township or fire district, and the same may be used in addition to funds received under the tax levies authorized by K.S.A. 80-1545 and 80-1903, and amendments thereto.

(d) Qualified personnel providing rescue service shall be compensated in the same manner as other fire department employees and volunteers as provided by K.S.A. 80-1544 and 80-1904, and amendments thereto.

Sec. 2: K.S.A. 80-1557 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

KRIS W. KOBACH
Secretary of State



Memorial Hall, 1st Floor
120 S.W. 10th Avenue
Topeka, KS 66612-1594
(785) 296-4564

STATE OF KANSAS

HOUSE COMMITTEE ON LOCAL GOVERNMENT TESTIMONY OF THE SECRETARY OF STATE, JANUARY 25, 2011

Mr. Chairman and Members of the Committee:

On behalf of Secretary of State Kris Kobach, thank you for the opportunity to appear before you today and to brief you on the status of cemetery trust funds required by statute.

Kansas law dictates that citizens are entitled to extra protections with regard to cemetery purchases by requiring certain cemeteries to maintain two types of trust funds. The role of the Secretary of State is to ensure that monies paid by consumers are deposited, invested and maintained in a manner that will ensure the funds are available at the time of need.

The recent economic downturn has caused a decrease in sales and investment losses in trust funds all over the United States and Kansas has not been immune from this growing problem. In 2008, Mike Graham, owner of two Kansas cemeteries, was accused of taking over \$638,000 from trust funds. In 2010, a Hutchinson woman was sentenced to 58 months of prison and liquidation of all her assets, after pleading guilty to taking over \$800,000 from the trust funds. Also in 2010, another Topeka cemetery was placed in receivership due to a shortfall of over \$800,000 in the trust funds. The cemetery is being readied for sale. Presently, there are several additional cemeteries under investigation.

Preliminary audits of 2006-2008 cemetery annual reports indicate that, over \$200,000 was improperly withdrawn from Permanent Maintenance Trust funds throughout the state. The Secretary of State has recovered over half of the funds but the remaining half is in dispute.

In August 2010, this office adopted a regulation giving the Secretary of State the authority to charge a fee of \$20 per burial space sold and a fee of \$20 per preneed contract sold. The fees will generate approximately \$112,000 in revenue to cover costs associated with auditing cemeteries.

Secretary Kobach is in the process of assessing current Kansas law as well as the legislation that was introduced by this office in the last legislative session. He may want to make adjustments before introducing legislation in the current legislative session.

Kathy M. Sachs
Deputy Assistant Secretary of State
Administrative and E-Government Services

House Local Government
Date 1-25-11
Attachment 2