

SENATE BILL No. 149

AN ACT concerning the attorney general; relating to briefs in a criminal matter or postconviction case in the supreme court or court of appeals; legal representation charges; legal services; creating the attorney general's state agency representation fund; the office of the inspector general; enforcement of the scrap metal theft reduction act; amending K.S.A. 2016 Supp. 50-6,109a, 50-6,109c, 50-6,110, 50-6,111, 50-6,112a, 50-6,112b and 75-7427 and repealing the existing sections.

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

New Section 1. In a criminal matter or a postconviction case in the Kansas supreme court or the Kansas court of appeals:

(a) A copy of each brief must be served on the attorney general of Kansas; and

(b) no brief may be filed by or on behalf of the state of Kansas or any officer or agent of the state unless the approval of the attorney general or a member of the attorney general's staff is endorsed on the brief.

New Sec. 2. (a) The attorney general may determine, fix and establish a system of legal representation charges and collect such charges from any state agency to which the attorney general provides legal services. The attorney general may determine the amount of legal representation charges due from a state agency by use of a schedule of fees and costs for legal services published by the attorney general or by entering into an agreement with a state agency for payment by such agency for legal services. Such schedule of fees and costs shall not exceed the amount of compensation established pursuant to K.S.A. 22-4507, and amendments thereto, for attorneys appointed by the court to perform services for an indigent person.

(b) As used in this section:

(1) "State agency" means any department of state government or any agency thereof that collects fees for licensing, regulating or certifying a person or profession;

(2) "legal representation charges" means any costs, fees, expenses or other financial liability incurred by the attorney general, including, but not limited to, attorney fees, to provide legal services to a state agency; and

(3) "legal services" means any form of legal advice, representation or counseling involving an attorney-client relationship, including, but not limited to, general counsel services and representation of a state agency in any administrative law matter. "Legal services" includes legal services provided at the attorney general's discretion at the request of a state agency and legal services the attorney general is required by law to provide to a state agency. "Legal services" shall not include any representation provided pursuant to the Kansas tort claims act, K.S.A. 75-6101 et seq., and amendments thereto, or the defense of civil rights claims pursuant to K.S.A. 75-6116, and amendments thereto.

(c) The amounts collected under this section shall be remitted by the attorney general to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the attorney general's state agency representation fund, which is hereby created. Moneys in the attorney general's state agency representation fund shall be expended by the attorney general for operations of the office of the attorney general.

(d) Nothing in this section shall impose an obligation for the attorney general to provide legal services to any state agency.

(e) The attorney general may adopt rules and regulations as necessary to implement this section.

New Sec. 3. (a) On and after the effective date of this act, all of the powers, duties, functions, records and property of the office of the inspector general within the department of health and environment are hereby transferred to the office of inspector general within the office of the attorney general, except as is otherwise provided.

(b) (1) The office of inspector general within the office of the attorney general shall be the successor in every way of the powers, duties and functions of the office of the inspector general within the department of health and environment in which the same were vested prior to the effective date of this act, except as otherwise provided.

(2) Whenever the office of the inspector general within the department of health and environment, or words of like effect, is referred to or designated by a statute, contract or other document, such reference or

designation shall be deemed to apply to the office of inspector general within the office of the attorney general.

(3) All orders or directives of the office of the inspector general within the department of health and environment in existence on the effective date of this act shall continue to be effective and shall be deemed to be the orders or directives of the office of inspector general within the office of the attorney general, until revised, amended, repealed or nullified pursuant to law.

(c) On the effective date of this act, all unexpended balances of appropriations of the office of the inspector general within the department of health and environment shall be transferred to the office of the attorney general to be used by the office of inspector general within the office of the attorney general to carry out the powers, duties and functions transferred to the office of the inspector general within the office of the attorney general by the provisions of this act.

(d) (1) No suit, action or other proceeding, judicial or administrative, lawfully commenced, or which could have been commenced, by or against any existing state agency mentioned in this act, or by or against any officer of the state in the officer's official capacity or in relation to the discharge of the officer's official duties, shall abate by reason of the taking effect of this act. The court may allow any such suit, action or other proceeding to be maintained by or against the successor of any such existing state agency, or any officer affected.

(2) No criminal action commenced or which could have been commenced by the state shall abate by the taking effect of this act.

(e) Whenever any conflict arises as to the disposition of any power, function or duty or the unexpended balance of any appropriation as a result of any abolishment, transfer, attachment or other change made by this act, or under authority of this act, the conflict shall be resolved by the governor and such decision of the governor shall be final.

Sec. 4. K.S.A. 2016 Supp. 50-6,109a is hereby amended to read as follows: 50-6,109a. (a) The attorney general is hereby given jurisdiction and authority over all matters involving the implementation, administration and enforcement of the provisions of the scrap metal theft reduction act including to:

(1) Employ or appoint agents as necessary to implement, administer and enforce the act;

(2) contract;

(3) expend funds;

(4) license and discipline;

(5) investigate;

(6) issue subpoenas;

(7) keep statistics; and

(8) conduct education and outreach programs to promote compliance with the act.

(b) In accordance with the rules and regulations filing act, the attorney general is hereby authorized to adopt rules and regulations necessary to implement the provisions of the scrap metal theft reduction act.

(c) There is hereby established in the state treasury the scrap metal theft reduction fee fund to be administered by the attorney general. All moneys received by the attorney general from fees, charges or penalties collected under the provisions of the scrap metal theft reduction act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, who shall deposit the entire amount thereof in the state treasury to the credit of the scrap metal theft reduction fee fund. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the attorney general or the attorney general's designee. All moneys credited to the scrap metal theft reduction fee fund shall be expended for the administration of the duties, functions and operating expenses incurred under the provisions of the scrap metal theft reduction act.

(d) Before ~~July~~ *January* 1, ~~2016~~ 2019, the attorney general shall establish and maintain a database which shall be a central repository for the information required to be provided under K.S.A. 2016 Supp. 50-6,110, and amendments thereto. The database shall be maintained for the purpose of providing information to law enforcement and for any other pur-

pose deemed necessary by the attorney general to implement and enforce the provisions of the scrap metal theft reduction act.

(e) The information required by K.S.A. 2016 Supp. 50-6,110, and amendments thereto, maintained in such database by the attorney general, or by any entity contracting with the attorney general, submitted to, maintained or stored as part of the system shall:

(1) Be confidential, shall only be used for investigatory, evidentiary or analysis purposes related to criminal violations of city, state or federal law and shall only be released to law enforcement in response to an official investigation or as permitted in subsection (d); and

(2) not be a public record and shall not be subject to the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto. The provisions of this subsection shall expire on July 1, 2020, unless the legislature reviews and reenacts this provision pursuant to K.S.A. 45-229, and amendments thereto.

Sec. 5. K.S.A. 2016 Supp. 50-6,109c is hereby amended to read as follows: 50-6,109c. (a) Any scrap metal dealer who violates any of the provisions of the scrap metal theft reduction act, in addition to any other penalty provided by law, may incur a civil penalty imposed pursuant to subsection (b) in an amount not less than \$100 nor more than \$5,000 for each violation.

(b) The attorney general, upon a finding that a scrap metal dealer or any employee or agent thereof or any person or entity required to be registered as a scrap metal dealer has violated any of the provisions of the scrap metal theft reduction act may impose a civil penalty as provided in this subsection upon such scrap metal dealer.

(c) A civil penalty shall not be imposed pursuant to this section except upon the written order of the attorney general to the scrap metal dealer who is responsible for the violation. Such order is a final order for purposes of judicial review and shall state the violation, the penalty to be imposed and the right of such dealer to appeal as provided in the Kansas judicial review act.

(d) ~~This section shall take effect on and after January 1, 2016. This section shall be unenforceable and shall not apply from the effective date of this act to January 1, 2019.~~

Sec. 6. K.S.A. 2016 Supp. 50-6,110 is hereby amended to read as follows: 50-6,110. (a) It shall be unlawful for any person to sell any item or items of regulated scrap metal to a scrap metal dealer, or employee or agent of a dealer, in this state unless such person meets the requirements of this subsection.

(1) Such person shall present to such scrap metal dealer, or employee or agent of such dealer, at or before the time of sale, the following: The seller's name, address, sex, date of birth and the seller's driver's license, military identification card, passport or personal identification license. An official governmental document for a country other than the United States may be used to meet this requirement provided that a legible fingerprint is also obtained from the seller.

(2) Such person shall complete and sign the statement provided for in subsection (b)(10).

(b) Every scrap metal dealer shall keep a register in which the dealer, or employee or agent of the dealer, shall at the time of purchase or receipt of any item for which such information is required to be presented, cross-reference to previously received information, or accurately and legibly record at the time of sale the following information:

(1) The time, date and place of transaction;

(2) the seller's name, address, sex, date of birth and the identifying number from the seller's driver's license, military identification card, passport or personal identification license; the identifying number from an official governmental document for a country other than the United States may be used to meet this requirement provided that a legible fingerprint is also obtained from the seller;

(3) a copy of the identification card or document containing such identifying number. *Failure to comply with the provisions of this paragraph between the effective date of this act and January 1, 2019, may result in an assessment of a civil penalty by the attorney general of not less than \$100 nor more than \$5,000 for each violation;*

(4) the license number, color and style or make of any motor vehicle

in which the junk vehicle or other regulated scrap metal property is delivered in a purchase transaction;

(5) a general description, made in accordance with the custom of the trade, of the predominant types of junk vehicle or other regulated scrap metal property purchased in the transaction;

(6) the weight, quantity or volume, made in accordance with the custom of the trade, of the regulated scrap metal property purchased;

(7) if a junk vehicle or vehicle part is being bought or sold, a description of the junk vehicle or vehicle part, including the make, model, color, vehicle identification number and serial number if applicable;

(8) the price paid for, traded for or dealt for in a transaction for the junk vehicle or other regulated scrap metal property;

(9) the full name of the individual acting on behalf of the regulated scrap metal dealer in making the purchase; and

(10) a signed statement from the seller indicating from where the property was obtained and that: (A) Each item is the seller's own personal property, is free of encumbrances and is not stolen; or (B) the seller is acting for the owner and has permission to sell each item. If the seller is not the owner, such statement shall include the name and address of the owner of the property.

(c) Every scrap metal dealer shall photograph ~~both the seller and~~ the item or lot of items being sold at the time of purchase or receipt of any item for which such information is required to be presented. Such photographs shall be kept with the record of the transaction and the scrap metal dealer's register of information required by subsection (b). *Failure to comply with the provisions of this subsection between the effective date of this act and January 1, 2019, may result in an assessment of a civil penalty by the attorney general of not less than \$100 nor more than \$5,000 for each violation.*

(d) The scrap metal dealer's register of information required by subsection (b), including copies of identification cards and signed statements by sellers, and photographs required by subsection (c) may be kept in electronic format.

(e) Every scrap metal dealer shall forward the information required by this section to the database described in K.S.A. 2016 Supp. 50-6,109a, and amendments thereto.

(f) Notwithstanding any other provision to the contrary, this section shall not apply to transactions in which the seller is a:

(1) Registered scrap metal dealer;

(2) vehicle dealer licensed under chapter 8 of the Kansas Statutes Annotated, and amendments thereto; or

(3) scrap metal dealer or vehicle dealer registered or licensed in another state.

(g) (1) Except as provided in subsection (g)(2), this section shall not apply to transactions in which the seller is known to the purchasing scrap metal dealer to be a licensed business that operates out of a fixed business location and that can reasonably be expected to generate regulated scrap metal.

(2) The attorney general may determine, by rules and regulations, which of the requirements of this section shall apply to transactions described in subsection (g)(1).

(h) *The amendments made to subsection (e) by section 13 of chapter 96 of the 2015 Session Laws of Kansas shall be unenforceable and shall not apply from the effective date of this act to January 1, 2019.*

Sec. 7. K.S.A. 2016 Supp. 50-6,111 is hereby amended to read as follows: 50-6,111. (a) It shall be unlawful for any such scrap metal dealer, or employee or agent of the dealer, to purchase any item or items of regulated scrap metal in a transaction for which K.S.A. 2016 Supp. 50-6,110, and amendments thereto, requires information to be presented by the seller, without demanding and receiving from the seller that information. Every scrap metal dealer shall file and maintain a record of information obtained in compliance with the requirements in K.S.A. 2016 Supp. 50-6,110, and amendments thereto. All records kept in accordance with the provisions of the scrap metal theft reduction act shall be open at all times to law enforcement officers and shall be kept for two years. If the required information is maintained in electronic format, the scrap

metal dealer shall provide a printout of the information to law enforcement officers upon request.

(b) It shall be unlawful for any scrap metal dealer, or employee or agent of the dealer, to purchase any junk vehicle in a transaction for which K.S.A. 2016 Supp. 50-6,110, and amendments thereto, requires information to be presented by the seller, without:

(1) Inspecting the vehicle offered for sale and recording the vehicle identification number; and

(2) obtaining an appropriate bill of sale issued by a governmentally operated vehicle impound facility if the vehicle purchased has been impounded by such facility or agency.

(c) It shall be unlawful for any scrap metal dealer, or employee or agent of the dealer, to purchase or receive any regulated scrap metal from a minor unless such minor is accompanied by a parent or guardian or such minor is a licensed scrap metal dealer.

(d) It shall be unlawful for any scrap metal dealer, or employee or agent of the dealer, to purchase any of the following items without obtaining proof that the seller is an employee, agent or person who is authorized to sell the item on behalf of the governmental entity; utility provider; railroad; cemetery; civic organization; manufacturing, industrial or other commercial vendor that generates or sells such items in the regular course of business; or scrap metal dealer:

- (1) Utility access cover;
- (2) street light poles or fixtures;
- (3) road or bridge guard rails;
- (4) highway or street sign;
- (5) water meter cover;
- (6) traffic directional or traffic control signs;
- (7) traffic light signals;
- (8) any metal marked with any form of the name or initials of a governmental entity;
- (9) property owned and marked by a telephone, cable, electric, water or other utility provider;
- (10) property owned and marked by a railroad;
- (11) funeral markers or vases;
- (12) historical markers;
- (13) bales of regulated metal;
- (14) beer kegs;
- (15) manhole covers;
- (16) fire hydrants or fire hydrant caps;
- (17) junk vehicles with missing or altered vehicle identification numbers;
- (18) real estate signs;
- (19) bleachers or risers, in whole or in part;
- (20) twisted pair copper telecommunications wiring of 25 pair or greater existing in 19, 22, 24 or 26 gauge; and
- (21) burnt wire.

(e) It shall be unlawful for any scrap metal dealer, or employee or agent of the dealer, to sell, trade, melt or crush, or in any way dispose of, alter or destroy any regulated scrap metal, junk vehicle or vehicle part upon notice from any law enforcement agency, or any of their agents or employees, that they have cause to believe an item has been stolen. A scrap metal dealer shall hold any of the items that are designated by or on behalf of the law enforcement agency for 30 days, exclusive of weekends and holidays.

(f) *Failure to comply with the provisions of this section between the effective date of this act and January 1, 2019, may result in an assessment of a civil penalty by the attorney general of not less than \$100 nor more than \$5,000 for each violation.*

Sec. 8. K.S.A. 2016 Supp. 50-6,112a is hereby amended to read as follows: 50-6,112a. (a) A scrap metal dealer shall not purchase any regulated scrap metal without having first registered each place of business with the attorney general as herein provided.

(b) The attorney general shall establish a system for the public to confirm scrap metal dealer registration certificates. Such system shall include a listing of valid registration certificates and such other information collected pursuant to the scrap metal theft reduction act, as the attorney

general may determine is appropriate. Disclosure of any information through use of the system established by the attorney general shall not be deemed to be an endorsement of any scrap metal dealer or determination of any facts, qualifications, information or reputation of any scrap metal dealer by the attorney general, the state, or any of their respective agents, officers, employees or assigns.

(c) A registration for a scrap metal dealer shall be verified and upon a form approved by the attorney general and contain:

(1) (A) The name and residence of the applicant, including all previous names and aliases; or

(B) if the applicant is a Corporation, the name and address of each manager, officer or director thereof, and each stockholder owning in the aggregate more than 25% of the stock of such corporation; or partnership or limited liability company, the name and address of each partner or member;

(2) the length of time that the applicant has resided within the state of Kansas and a list of all residences outside the state of Kansas during the previous 10 years;

(3) the particular place of business for which a registration is desired, the name of the business, the address where the business is to be conducted, the hours of operation and the days of the week during which the applicant proposes to engage in business;

(4) the name of the owner of the premises upon which the place of business is located; and

(5) the applicant shall disclose any prior convictions within 10 years immediately preceding the date of making the registration for: A violation of article 37 of chapter 21 of the Kansas Statutes Annotated, prior to its repeal, or K.S.A. 2016 Supp. 21-5801 through 21-5839 or K.S.A. 2016 Supp. 21-6412(a)(6), and amendments thereto; perjury, K.S.A. 21-3805, prior to its repeal, or K.S.A. 2016 Supp. 21-5903, and amendments thereto; compounding a crime, K.S.A. 21-3807, prior to its repeal; obstructing legal process or official duty, K.S.A. 21-3808, prior to its repeal; falsely reporting a crime, K.S.A. 21-3818, prior to its repeal; interference with law enforcement, K.S.A. 2016 Supp. 21-5904, and amendments thereto; interference with judicial process, K.S.A. 2016 Supp. 21-5905, and amendments thereto; or any crime involving dishonesty or false statement or any substantially similar offense pursuant to the laws of any city, state or of the United States.

(d) Each registration for a scrap metal dealer to purchase regulated scrap metal shall be accompanied by a fee of not less than \$500 nor more than \$1,500, as prescribed by the attorney general for each particular place of business for which a registration is desired.

(e) The attorney general shall accept a registration for a scrap metal dealer as otherwise provided for herein, from any scrap metal dealer qualified to file such registration, to purchase regulated scrap metals. Such registration shall be issued for a period of one year.

(f) If an original registration is accepted, the attorney general shall grant and issue renewals thereof upon application of the registration holder, if the registration holder is qualified to receive the same and the registration has not been revoked as provided by law. The renewal fee shall be not more than \$1,500, as prescribed by the attorney general.

(g) Any registration issued under the scrap metal theft reduction act shall not be transferable.

(h) This section shall not apply to a business licensed under the provisions of K.S.A. 8-2404, and amendments thereto, unless such business buys or recycles regulated scrap metal that are not motor vehicle components.

(i) *The amendments made to subsections (d) and (f) by section 15 of chapter 96 of the 2015 Session Laws of Kansas shall be unenforceable and shall not apply from the effective date of this act to January 1, 2019.*

Sec. 9. K.S.A. 2016 Supp. 50-6,112b is hereby amended to read as follows: 50-6,112b. (a) After examining the information contained in a filing for a scrap metal dealer registration and determining the registration meets the statutory requirements for such registration, the attorney general shall accept such filing and the scrap metal dealer shall be deemed to be properly registered.

(b) No scrap metal registration shall be accepted for:

(1) A person who is not a citizen or legal permanent resident of the United States.

(2) A person who is under 18 years of age and whose parents or legal guardians have been convicted of a felony or other crime which would disqualify a person from registration under this section and such crime was committed during the time that such parents or legal guardians held a registration under the scrap metal theft reduction act.

(3) A person who, within 10 years immediately preceding the date of filing, has pled guilty to, entered into a diversion agreement for, been convicted of, released from incarceration for or released from probation or parole for committing, attempting to commit, or conspiring to commit a violation of: Article 37 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or K.S.A. 2016 Supp. 21-5801 through 21-5839 or K.S.A. 2016 Supp. 21-6412(a)(6), and amendments thereto; perjury, K.S.A. 21-3805, prior to its repeal, or K.S.A. 2016 Supp. 21-5903, and amendments thereto; compounding a crime, K.S.A. 21-3807, prior to its repeal; obstructing legal process or official duty, K.S.A. 21-3808, prior to its repeal; falsely reporting a crime, K.S.A. 21-3818, prior to its repeal; interference with law enforcement, K.S.A. 2016 Supp. 21-5904, and amendments thereto; interference with judicial process, K.S.A. 2016 Supp. 21-5905, and amendments thereto; or any crime involving dishonesty or false statement or any substantially similar offense pursuant to the laws of any city, state or of the United States.

(4) A person who within the 10 years immediately preceding the date of registration held a scrap metal dealer registration which was revoked, or managed a facility for a scrap metal dealer whose registration was revoked, or was an employee whose conduct led to or contributed to the revocation of such registration.

(5) A person who makes a materially false statement on the registration application or has made a materially false statement on a registration or similar filing within the last 10 years.

(6) A partnership or limited liability company, unless all partners or members of the partnership or limited liability company are otherwise qualified to file a registration.

(7) A corporation, if any manager, officer or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of such corporation, would be ineligible to receive a license hereunder for any reason.

(8) A person whose place of business is conducted by a manager or agent unless the manager or agent possesses all of the qualifications for registration.

(9) A person whose spouse has been convicted of a felony or other crime which would disqualify a person from registration under this section and such crime was committed during the time that the spouse held a registration under the scrap metal theft reduction act.

(10) A person who does not own the premises upon which the place of business is located for which a license is sought, unless the person has a written lease for at least $\frac{3}{4}$ of the period for which the license is to be issued.

(c) Any person filing a scrap metal dealer registration may be subject to a criminal history records check and may be given a written notice that a criminal history records check is required. The attorney general may require such applicant to be fingerprinted and submit to a state and national criminal history record check. If required, such fingerprints shall be used to identify the applicant and to determine whether the applicant has a record of criminal history in this state or another jurisdiction. The attorney general shall submit any fingerprints provided to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check. Local and state law enforcement officers and agencies shall assist the attorney general in the taking and processing of fingerprints of applicants. The attorney general may use the information obtained from fingerprinting and the criminal history for purposes of verifying the identification of the applicant and in the official determination of whether the scrap metal dealer registration shall be accepted. If the criminal history record information is used to disqualify an applicant, the applicant shall be informed in writing of that decision.

(d) *The amendments made to subsections (b)(10) and (c) by section*

16 of chapter 96 of the 2015 Session Laws of Kansas shall be unenforceable and shall not apply from the effective date of this act to January 1, 2019.

Sec. 10. K.S.A. 2016 Supp. 75-7427 is hereby amended to read as follows: 75-7427. (a) As used in this section:

(1) “Attorney general” means the attorney general *of the state of Kansas*, employees of the attorney general or authorized representatives of the attorney general.

(2) “Benefit” means the receipt of money, goods, items, facilities, accommodations or anything of pecuniary value.

(3) “Claim” means an electronic, electronic impulse, facsimile, magnetic, oral, telephonic or written communication that is utilized to identify any goods, service, item, facility or accommodation as reimbursable to the state medicaid program, or its fiscal agents, the state mediKan program or the state children’s health insurance program or which states income or expense.

(4) “Client” means past or present beneficiaries or recipients of the state medicaid program, the state mediKan program or the state children’s health insurance program.

(5) “Contractor” means any contractor, supplier, vendor or other person who, through a contract or other arrangement, has received, is to receive or is receiving public funds or in-kind contributions from the contracting agency as part of the state medicaid program, the state mediKan program or the state children’s health insurance program, and shall include any subcontractor.

(6) “Contractor files” means those records of contractors which relate to the state medicaid program, the state mediKan program or the state children’s health insurance program.

(7) “Fiscal agent” means any corporation, firm, individual, organization, partnership, professional association or other legal entity which, through a contractual relationship with the state of Kansas receives, processes and pays claims under the state medicaid program, the state mediKan program or the state children’s health insurance program.

(8) “Health care provider” means a health care provider as defined under K.S.A. 65-4921, and amendments thereto, who has applied to participate in, who currently participates in, or who has previously participated in the state medicaid program, the state mediKan program or the state children’s health insurance program.

~~(9) “Department” means the department of health and environment, or its successor agency.~~

~~(10)~~ “Managed care program” means a program which provides coordination, direction and provision of health services to an identified group of individuals by providers, agencies or organizations.

~~(11)~~(10) “Medicaid program” means the Kansas program of medical assistance for which federal or state moneys, or any combination thereof, are expended, or any successor federal or state, or both, health insurance program or waiver granted thereunder.

~~(12)~~(11) “Person” means any agency, association, corporation, firm, limited liability company, limited liability partnership, natural person, organization, partnership or other legal entity, the agents, employees, independent contractors, and subcontractors, thereof, and the legal successors thereto.

~~(13)~~(12) “Provider” means a person who has applied to participate in, who currently participates in, who has previously participated in, who attempts or has attempted to participate in the state medicaid program, the state mediKan program or the state children’s health insurance program, by providing or claiming to have provided goods, services, items, facilities or accommodations.

~~(14)~~(13) “Recipient” means an individual, either real or fictitious, in whose behalf any person claimed or received any payment or payments from the state medicaid program, or its fiscal agent, the state mediKan program or the state children’s health insurance program, whether or not any such individual was eligible for benefits under the state medicaid program, the state mediKan program or the state children’s health insurance program.

~~(15)~~(14) “Records” means all written documents and electronic or magnetic data, including, but not limited to, medical records, x-rays, professional, financial or business records relating to the treatment or care

of any recipient; goods, services, items, facilities or accommodations provided to any such recipient; rates paid for such goods, services, items, facilities or accommodations; and goods, services, items, facilities or accommodations provided to nonmedicaid recipients to verify rates or amounts of goods, services, items, facilities or accommodations provided to medicaid recipients, as well as any records that the state medicaid program, or its fiscal agents, the state mediKan program or the state children's health insurance program require providers to maintain. "Records" shall not include any report or record in any format which is made pursuant to K.S.A. 65-4922, 65-4923 or 65-4924, and amendments thereto, and which is privileged pursuant to K.S.A. 65-4915 or 65-4925, and amendments thereto.

~~(16)~~(15) "State children's health insurance program" means the state children's health insurance program as provided in K.S.A. 38-2001 et seq., and amendments thereto.

(b) (1) There is hereby established within the ~~department of health and environment~~ *office of the attorney general* the office of inspector general. All budgeting, purchasing ~~and~~, related management functions *and personnel* of the office of inspector general shall be administered under the direction and supervision of the ~~executive director of the department of health and environment~~ *attorney general*. The purpose of the office of inspector general is to establish a full-time program of audit, investigation and performance review to provide increased accountability, integrity and oversight of the state medicaid program, the state mediKan program and the state children's health insurance program ~~within the jurisdiction of the department of health and environment~~ and to assist in improving agency and program operations and in deterring and identifying fraud, waste, abuse and illegal acts. The office of inspector general shall be independent and free from political influence and in performing the duties of the office under this section shall conduct investigations, audits, evaluations, inspections and other reviews in accordance with professional standards that relate to the fields of investigation and auditing in government.

(2) (A) The inspector general shall be appointed by the ~~department of health and environment~~ *attorney general* with the advice and consent of the senate and subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto. Except as provided in K.S.A. 46-2601, and amendments thereto, no person appointed to the position of inspector general shall exercise any power, duty or function of the inspector general until confirmed by the senate. The inspector general shall be selected without regard to political affiliation and on the basis of integrity and capacity for effectively carrying out the duties of the office of inspector general. The inspector general shall possess demonstrated knowledge, skills, abilities and experience in conducting audits or investigations and shall be familiar with the programs subject to oversight by the office of inspector general.

(B) No former or current executive or manager of any program or agency subject to oversight by the office of inspector general may be appointed inspector general within two years of that individual's period of service with such program or agency. The inspector general shall hold at time of appointment, or shall obtain within one year after appointment, certification as a certified inspector general from a national organization that provides training to inspectors general.

(C) ~~The term of the person first appointed to the position of inspector general shall expire on January 15, 2000. Thereafter,~~ A person appointed to the position of inspector general shall serve for a term which shall expire on January 15 of each year in which the whole senate is sworn in for a new term.

(D) The inspector general shall be in the ~~classified~~ *unclassified* service and shall receive ~~such compensation as is determined by law~~ *an annual salary in an amount equal to the annual salary paid by the state to a district court judge*, except that such compensation may be increased but not diminished during the term of office of the inspector general. The inspector general may be removed from office prior to the expiration of the inspector general's term of office ~~in accordance with the Kansas civil service act~~ *by the attorney general for cause*. The inspector general shall exercise independent judgment in carrying out the duties of the office of inspector general under subsection (b). Appropriations for the office of

inspector general shall be made to the ~~department of health and environment~~ *attorney general* by separate line item appropriations for the office of inspector general. The inspector general shall report to the ~~secretary of health and environment~~ *attorney general*.

(E) *Subject to subsection (b)(1)*, the inspector general shall have general managerial control over the office of the inspector general and shall establish the organization structure of the office as the inspector general deems appropriate to carry out the responsibilities and functions of the office.

(3) Within the limits of appropriations therefor, the ~~inspector attorney~~ *general* may hire such employees in the unclassified service as are necessary to administer the office of the inspector general. Such employees shall serve at the pleasure of the ~~inspector attorney~~ *general*. Subject to appropriations *and to subsection (b)(1)*, the inspector general may obtain the services of certified public accountants, qualified management consultants, professional auditors, or other professionals necessary to independently perform the functions of the office.

(c) (1) In accordance with the provisions of this section, the duties of the office of inspector general shall be to oversee, audit, investigate and make performance reviews of the state medicaid program, the state medikAn program and the state children's health insurance program; ~~which programs are within the jurisdiction of the department of health and environment or their successor programs.~~

(2) In order to carry out the duties of the office, the inspector general shall conduct independent and ongoing evaluation of ~~the department of health and environment and of such programs administered by the department of health and environment or their successor programs,~~ which oversight includes, but is not limited to, the following:

(A) Investigation of fraud, waste, abuse and illegal acts ~~by the department of health and environment and its agents, employees, vendors, contractors, consumers, clients and health care providers or other providers directly relating to such programs.~~

(B) Audits of ~~the department of health and environment, its employees state programs,~~ contractors, vendors and health care providers related to ensuring that appropriate payments are made for services rendered and to the recovery of overpayments.

(C) Investigations of fraud, waste, abuse or illegal acts committed by clients of ~~the department of health and environment programs or by consumers of services administered by the department of health and environment of such programs.~~

(D) Monitoring adherence to the terms of ~~the any~~ *any* contract between ~~the department of health and environment a state agency~~ and an organization, *if any*, with which the ~~department state agency~~ has entered into a contract to make claims payments.

(3) Upon finding credible evidence of fraud, waste, abuse or illegal acts, the inspector general shall report its findings to the ~~department of health and environment and refer the findings to the~~ attorney general.

(d) The inspector general shall have access to all pertinent information, confidential or otherwise, and to all personnel and facilities of ~~the department of health and environment, their employees, a state agency, state~~ vendors, contractors and health care providers and any federal, state or local governmental agency that are necessary to perform the duties of the office as directly related to such programs ~~administered by the department.~~ Access to contractor or health care provider files shall be limited to those files necessary to verify the accuracy of the contractor's or health care provider's invoices or their compliance with the contract provisions or program requirements. No health care provider shall be compelled under the provisions of this section to provide individual medical records of patients who are not clients of the state medicaid program, the state medikAn program or the state children's health insurance program. State and local governmental agencies are authorized and directed to provide to the inspector general requested information, assistance or cooperation.

(e) Except as otherwise provided in this section, the inspector general and all employees and former employees of the office of inspector general shall be subject to the same duty of confidentiality imposed by law on any such person or agency with regard to any such information, and shall be subject to any civil or criminal penalties imposed by law for violations

of such duty of confidentiality. The duty of confidentiality imposed on the inspector general and all employees and former employees of the office of inspector general shall be subject to the provisions of subsection (f), and the inspector general may furnish all such information to the attorney general, Kansas bureau of investigation or office of the United States attorney in Kansas pursuant to subsection (f). Upon receipt thereof, the attorney general, Kansas bureau of investigation or office of the United States attorney in Kansas and all assistants and all other employees and former employees of such offices shall be subject to the same duty of confidentiality with the exceptions that any such information may be disclosed in criminal or other proceedings which may be instituted and prosecuted by the attorney general or the United States attorney in Kansas, and any such information furnished to the attorney general, the Kansas bureau of investigation or the United States attorney in Kansas under subsection (f) may be entered into evidence in any such proceedings.

(f) All investigations conducted by the inspector general shall be conducted in a manner that ensures the preservation of evidence for use in criminal prosecutions, *civil actions* or agency administrative actions. If the inspector general determines that a possible criminal act or *false claim* relating to fraud in the provision or administration of such programs ~~administered by the department of health and environment~~ has been committed, the inspector general shall immediately notify the ~~office of the Kansas~~ attorney general. If the inspector general determines that a possible criminal act has been committed within the jurisdiction of the office, the inspector general may request the special expertise of the Kansas bureau of investigation. The inspector general may present for prosecution the findings of any criminal investigation to the office of the attorney general or the office of the United States attorney in Kansas.

(g) To carry out the duties as described in this section, the inspector general and the inspector general's designees shall have the power to compel by subpoena the attendance and testimony of witnesses and the production of books, electronic records and papers as directly related to such programs ~~administered by the department of health and environment~~. Access to contractor files shall be limited to those files necessary to verify the accuracy of the contractor's invoices or its compliance with the contract provisions. No health care provider shall be compelled to provide individual medical records of patients who are not clients of ~~the department~~ such a program or programs.

(h) The inspector general shall report all convictions, terminations and suspensions taken against vendors, contractors and health care providers to ~~the department of health and environment~~ and to any agency *contracting with or* responsible for licensing or regulating those persons or entities. If the inspector general determines reasonable suspicion exists that an act relating to the violation of an agency licensure or regulatory standard has been committed by a vendor, contractor or health care provider who is licensed or regulated by an agency, the inspector general shall immediately notify such agency of the possible violation.

(i) The inspector general shall make annual reports, findings and recommendations regarding the office's investigations into reports of fraud, waste, abuse and illegal acts relating to any such programs ~~administered by the director of health care finance to the secretary of health and environment~~ *to the appropriate state agency*, the legislative post auditor, the committee on ways and means of the senate, the committee on appropriations of the house of representatives, *the attorney general* and the governor. These reports shall include, but not be limited to, the following information:

- (1) Aggregate provider billing and payment information;
- (2) the number of audits of such programs administered by the department of health and environment and the dollar savings, if any, resulting from those audits;
- (3) health care provider sanctions, in the aggregate, including terminations and suspensions; and
- (4) a detailed summary of the investigations undertaken in the previous fiscal year, which summaries shall comply with all laws and rules and regulations regarding maintaining confidentiality in such programs ~~administered by the department of health and environment~~.

(j) Based upon the inspector general's findings under subsection (c), the inspector general may make such recommendations to the ~~depart-~~

~~ment of health and environment~~ *state agency or agencies which administer such program or programs* or the legislature for changes in law, rules and regulations, policy or procedures as the inspector general deems appropriate to carry out the provisions of law or to improve the efficiency of such programs ~~administered by the department of health and environment~~. The inspector general shall not be required to obtain permission or approval from any other official or department prior to making any such recommendation.

(k) (1) The inspector general shall make provision to solicit and receive reports of fraud, waste, abuse and illegal acts in such programs ~~administered by the department of health and environment~~ from any person or persons who shall possess such information. The inspector general shall not disclose or make public the identity of any person or persons who provide such reports pursuant to this subsection unless such person or persons consent in writing to the disclosure of such person's identity. Disclosure of the identity of any person who makes a report pursuant to this subsection shall not be ordered as part of any administrative or judicial proceeding. Any information received by the inspector general from any person concerning fraud, waste, abuse or illegal acts in such programs ~~administered by the department of health and environment~~ shall be confidential and shall not be disclosed or made public, upon subpoena or otherwise, except such information may be disclosed if: (A) Release of the information would not result in the identification of the person who provided the information; (B) the person or persons who provided the information to be disclosed consent in writing prior to its disclosure; (C) the disclosure is necessary to protect the public health; or (D) the information to be disclosed is required in an administrative proceeding or court proceeding and appropriate provision has been made to allow disclosure of the information without disclosing to the public the identity of the person or persons who reported such information to the inspector general.

(2) No person shall:

(A) Prohibit any agent, employee, contractor or subcontractor from reporting any information under subsection (k)(1); or

(B) require any such agent, employee, contractor or subcontractor to give notice to the person prior to making any such report.

(3) Subsection (k)(2) shall not be construed as:

(A) Prohibiting an employer from requiring that an employee inform the employer as to legislative or auditing agency requests for information or the substance of testimony made, or to be made, by the employee to legislators or the auditing agency, as the case may be, on behalf of the employer;

(B) permitting an employee to leave the employee's assigned work areas during normal work hours without following applicable rules and regulations and policies pertaining to leaves, unless the employee is requested by a legislator or legislative committee to appear before a legislative committee or by an auditing agency to appear at a meeting with officials of the auditing agency;

(C) authorizing an employee to represent the employee's personal opinions as the opinions of the employer; or

(D) prohibiting disciplinary action of an employee who discloses information which: (i) The employee knows to be false or which the employee discloses with reckless disregard for its truth or falsity; (ii) the employee knows to be exempt from required disclosure under the open records act; or (iii) is confidential or privileged under statute or court rule.

(4) Any agent, employee, contractor or subcontractor who alleges that disciplinary action has been taken against such agent, employee, contractor or subcontractor in violation of this section may bring an action for any damages caused by such violation in district court within 90 days after the occurrence of the alleged violation.

(5) Any disciplinary action taken against an employee of a state agency or firm as such terms are defined under ~~subsection (b) of~~ K.S.A. 75-2973, and amendments thereto, for making a report under subsection (k)(1) shall be governed by the provisions of K.S.A. 75-2973, and amendments thereto.

(l) The scope, timing and completion of any audit or investigation conducted by the inspector general shall be within the discretion of the

inspector general. Any audit conducted by the inspector general's office shall adhere and comply with all provisions of generally accepted governmental auditing standards promulgated by the United States government accountability office.

(m) Nothing in this section shall limit investigations by any state department or agency that may otherwise be required *or permitted* by law or that may be necessary in carrying out the duties and functions of such agency.

(n) No contractor who has been convicted of fraud, waste, abuse or illegal acts or whose actions have caused the state of Kansas to pay fines to or reimburse the federal government more than \$1,000,000 in the medicaid program shall be eligible for any state medicaid contracts subsequent to such conviction unless the ~~department of health and environment~~ *attorney general* finds that the contractor is the sole source for such contracts, is the least expensive source for the contract, has reimbursed the state of Kansas for all losses caused by the contractor, or the removal of the contractor would create a substantial loss of access for medicaid beneficiaries, in which case ~~the department~~, after a specific finding to this effect ~~may waive~~, the prohibition of this subsection *may be waived by the attorney general*. Nothing in this section shall be construed to conflict with federal law, or to require or permit the use of federal funds where prohibited.

(o) ~~The department of health and environment, in accordance with K.S.A. 75-4319, and amendments thereto, may recess for a closed, executive meeting under the open meetings act, K.S.A. 75-4317 through 75-4320a, and amendments thereto, to discuss with the inspector general any information, records or other matters that are involved in any investigation or audit under this section. All information and records of the inspector general that are made, maintained, kept, obtained or received under any investigation or audit under this section shall be confidential, except as required or authorized pursuant to this section.~~

Sec. 11. K.S.A. 2016 Supp. 50-6,109a, 50-6,109c, 50-6,110, 50-6,111, 50-6,112a, 50-6,112b and 75-7427 are hereby repealed.

Sec. 12. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.