
Sneed Law Firm, LLC

Memorandum

To: The Honorable Elaine Bowers, Chair
Senate Ethics, Elections and Local Government Committee

From: William W. Sneed, Legislative Counsel
Kansas County Association Multiline Pools (KCAMP)

Date: March 8, 2017

RE: HB 2094

Madam Chair, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for the Kansas County Association of Multi-Line Pools ("KCAMP"). Please accept this neutral testimony and our request for an amendment to HB 2094.

Kansas County Association Multiline Pool was formed under the sponsorship of the Kansas Association of Counties and began operation January 1, 1991. Regulated by the Kansas Insurance Department, KCAMP was formed because in the late 1980's and early 1990's insurance for counties was difficult to obtain and extremely expensive. KCAMP was created to provide a viable alternative to private insurance, which was not a good alternative at that time. KCAMP is not unique; there are over 430 public entity pools in the United States to which 85% of all public entities belong. That means in the U.S., most schools, cities, public transit systems, special districts, townships and counties belong to pools. Over time pools have proven to be the preferred alternative to the private insurance market.

KCAMP is a member-owned, member-funded self-insured property and liability pool. KCAMP is not an insurance company. Members pay contributions (premiums) to the pool. These contributions are used to pay claims, provide risk management services and education to the members, and pay costs associated with the administration of the pool. Members elect a Board of Trustees from their peers to oversee KCAMP. Professional staff handle the day to day functions, including claims administration. We have only one purpose, which is to provide to our members the best risk management and insurance services available.

We utilize agreements referred to in HB 2094. The most common example is when a county wishes to join our Association. Thus, in addition to the overall regulation by the Kansas Insurance Department, these agreements, by virtue of K.S.A. 12-2904, afford additional regulation by the Attorney General's office.

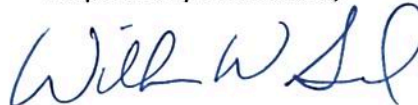
Although we are not per se complaining about this dual regulation, we believe such additional regulation is unnecessary, adds additional costs, and at times conflict between the two agencies.

When our Board met on February 24, 2017, we began working with the interested parties on our proposed amendment. At the time these remarks were being prepared, we had not received full sign-off.

My client wants to make sure that if we do not get full sign-off on our proposal, we will not hold this bill or the process up. We simply request a few more days to see if we can get clearance by all parties and formally request the addition of the amendment.

Thank you for your consideration, and I will be happy to answer questions.

Respectfully submitted,

A handwritten signature in blue ink that reads "Will W Sneed". The signature is written in a cursive, flowing style.

William W. Sneed

HOUSE BILL No. 2094

By Committee on Local Government

1-19

AN ACT concerning municipalities; amending K.S.A. 12-2908 and repealing the existing section.

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

Section 1. K.S.A. 12-2908 is hereby amended to read as follows: 12-2908. (a) When used in this act, “municipality” means a city, county or, township, *school district, library district, road district, water district, drainage district, sewer district or fire district.*

(b) Any municipality may contract with any municipality to perform any governmental service, activity or undertaking which each contracting municipality is authorized by law to perform. The contract shall be authorized by the governing body of the municipality and shall state the purpose of the contract and the powers and duties of the parties thereunder.

(c) A contract entered into pursuant to this section shall not be regarded as an interlocal agreement under the provisions of K.S.A. 12-2901 et seq., and amendments thereto.

Sec. 2. K.S.A 12-2904 Interlocal agreements by public agencies; specifications; approval of attorney general, exceptions. (a) Subject to the limitations of subsection (g), any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state including but not limited to those functions relating to economic development, public improvements, public utilities, police protection, public security, public safety and emergency preparedness, including but not limited to, intelligence, antiterrorism and disaster recovery, libraries, data processing services, educational services, building and related inspection services, flood control and storm water drainage, weather modification, sewage disposal, refuse disposal, park and recreational programs and facilities, ambulance service, fire protection, the Kansas tort claims act or claims for civil rights violations, may be exercised and enjoyed jointly with any other public agency of this state or with any private agency, and jointly with any public agency of any other state or of the United States to the extent that the laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public or private agency may exercise and enjoy all of the powers, privileges and authority conferred by this act upon a public agency.

(b) Any public agency may enter into agreements with one or more public or private agencies for joint or cooperative action pursuant to the provisions of this act. Appropriate action by ordinance, resolution or otherwise pursuant to law of the governing bodies of the participating public agencies shall be necessary before any such agreement may enter into force.

(c) Any public agency may enter into agreements with Native American Indian tribes for joint or cooperative actions. Such agreements shall be considered to be an interlocal agreement and shall be subject to the procedures and limitations of the interlocal cooperation act.

The provisions of this subsection shall not be construed as authorizing a public agency to enter into a gaming compact pursuant to the interlocal cooperation act.

(d) Any such agreement shall specify the following:

(1) Its duration.

(2) The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto.

(3) Its purpose or purposes.

(4) The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefor.

(5) The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination.

(6) Any other necessary and proper matters.

(e) In addition to the requirements of subsection (d), if the agreement does not establish a separate legal entity to conduct the joint or cooperative undertaking, the agreement also shall contain the following:

(1) Provision for an administrator or a joint board or one of the participating public agencies to be responsible for administering the joint or cooperative undertaking. In the case of a joint board public agencies party to the agreement shall be represented.

(2) The manner of acquiring, holding and disposing of real and personal property used in the joint or cooperative undertaking.

(f) No agreement made pursuant to this act shall relieve any public agency of any obligation or responsibility imposed upon it by law except that to the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made hereunder, such performance may be offered in satisfaction of the obligation or responsibility.

(g) Every agreement made hereunder, except (1) agreements between two or more public agencies establishing a council or other organization of local governments for the study of common problems of an area or region and for the promotion of intergovernmental cooperation and (2) agreements entered into pursuant to this Article 29 for joint or cooperative action that is subject to the oversight and regulation of a Kansas regulatory agency, prior to and as a condition precedent to its entry into force, shall be submitted to the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state. The attorney general shall approve any agreement submitted hereunder unless the attorney general shall find that it does not meet the conditions set forth herein and shall detail in writing addressed to the governing bodies of the public and private agencies concerned the specific

respects in which the proposed agreement fails to meet the requirements of law. Failure to disapprove an agreement submitted hereunder within 90 days of its submission shall constitute approval thereof.

Sec. 4. K.S.A. 12-2904 is hereby repealed.

Sec. 5. K.S.A. 12-2908 is hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.