

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 315**

As Recommended by Senate Committee on  
Financial Institutions and Insurance

**Brief\***

SB 315 would authorize the State Fair Board to purchase event cancellation and rain insurance coverage in amounts deemed appropriate by the Board for the period of the annual State Fair and during the remainder of the year. The bill would further specify that insurance purchased pursuant to provisions of the bill would not be required to be acquired through the Committee on Surety Bonds and Insurance and its procedures for insurance contracts and coverage.

**Background**

Appearing at the hearing of the Senate Committee on Financial Institutions and Insurance Committee, the General Manager of the State Fair testified that current law does not allow state agencies to purchase insurance of any kind unless provided by legislation. As the State Fair already has this authority for the purchase of burglary and robbery insurance (KSA 2-224), the bill would streamline the process and better facilitate the purchase of rain and event cancellation insurance. The General Manager indicated the purchase would be funded from the State Fair Fee Fund and would utilize the purchasing process required by the Division of Procurement and Contracts. The co-owner of the Kansas Wine and Beer Garden suggested this streamlining could allow the State Fair Board and staff to book high profile acts in a more efficient manner. Proponent testimony also was

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

provided by a representative of the Kansas Department of Agriculture. No neutral or opponent testimony was offered.

The fiscal note prepared by the Division of the Budget states the State Fair Board estimates expenditures of \$6,000 from the State Fair Fee Fund for insurance coverage for FY 2015. The Board states that without insurance coverage, revenues could be affected should a Grandstand event be canceled. Further, the Board indicates it could be liable for paying the performer while refunding tickets already purchased. Any fiscal effect associated with the bill is not reflected in *The FY 2015 Governor's Budget Report*.