

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 292

As Amended by House Committee on Insurance

Brief*

SB 292, as amended, would amend provisions in the Insurance Code governing excess lines coverage and taxation to authorize, rather than require, the Commissioner of Insurance (Commissioner) to collect double the amount of tax as a penalty from any licensee or individual who fails, refuses, or neglects to transmit the required affidavit or statement for surplus line insurance or fails to pay the imposed tax for surplus line insurance. The bill would also make technical changes.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the Kansas Insurance Department (Department).

In the Senate Committee hearing, a representative of the Department provided proponent testimony, stating the bill would provide the Commissioner flexibility to decrease the penalty if the circumstances warrant it instead of requiring the Commissioner to assess double the tax amount as a penalty. The Department representative also stated the bill is not intended to increase the penalty amount.

No neutral or opponent testimony was provided.

*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>

In the House Committee on Insurance hearing, a Department representative testified in favor of the bill. No other testimony was provided.

The House Committee on Insurance amended the bill to change its effective date to publication in the *Kansas Register*.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the Department indicates enactment of the bill could decrease the funds collected; however, the amount of penalty reduction cannot be estimated. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Request*.