

SESSION OF 2021

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 91**

As Recommended by House Committee on  
Commerce, Labor and Economic Development

**Brief\***

House Sub. for SB 91 would exempt businesses from certain liability claims arising from a secondary student engaged in a “work-based learning program,” as that term would be defined by the bill. Provided the school district of the secondary student has purchased the applicable insurance coverage, a business would not be subject to the following civil liabilities occurring during the student’s participation in a work-based learning program:

- A claim arising from the student’s negligent act or omission; and
- A claim for bodily injury to the student or sickness or death by accident of the student.

The school district would be solely responsible for a student’s loss due to bodily injury, sickness, or death caused by accident due to a negligent act or omission caused by the student or business. The bill would not provide immunity for the student or business for gross negligence or willful misconduct. The bill would broaden the concept of school-sponsored activity to include transportation to and from a work-based learning program, which would then grant discretion to the school district to purchase liability insurance.

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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>

## **Background**

The bill was introduced by the Senate Committee on Commerce at the request of a representative of the Department of Commerce.

SB 91 would include provisions of HB 2442. The backgrounds of both bills are described below. [*Note:* The provisions of SB 91 were not retained in the substitute bill.]

### **SB 91**

SB 91, as introduced, would have allowed a company to transfer up to 50 percent of the tax credits received from the High Performance Incentive Program [HPIP] to another company or individual per year.

#### *Senate Committee on Commerce*

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the Department of Commerce, Kansas Chamber of Commerce, League of Kansas Municipalities, and Overland Park Chamber of Commerce. The proponents generally stated HPIP is an effective program and transferability of tax credits is necessary to compete with other states with similar transferability provisions.

The Wichita Regional Chamber of Commerce provided written-only **proponent** testimony.

**Opponent** written-only testimony was provided by a representative of the Kansas Policy Institute. The representative stated HPIP benefited a small subset of companies and hindered the ability to enact a broad-based tax reduction.

*House Committee on Commerce, Labor, and Economic  
Development*

In the House Committee hearing, **proponent** testimony was provided by representatives of the Kansas Department of Commerce, the Overland Park Chamber of Commerce, and the Wichita Regional Chamber of Commerce, who noted the bill would create a more competitive incentive program that will result in more capital investments in Kansas businesses and communities.

Written-only **proponent** testimony was provided by representatives of the Greater Kansas City Chamber of Commerce, the Kansas Chamber of Commerce, the Kansas Grain and Feed Association, the Olathe Chamber of Commerce.

No other testimony was provided.

The House Committee recommended a substitute bill replacing the contents of SB 91 with the provisions of HB 2442, as introduced.

[*Note:* With the exception of technical changes, HB 2442, as introduced, contains provisions identical to those of 2019 HB 2507, as recommended by the House Committee on Commerce, Labor, and Economic Development.]

**HB 2442**

*House Committee on Commerce, Labor, and Economic  
Development*

In the House Committee hearing on HB 2442, written-only **proponent** testimony was provided by representatives of the Associated General Contractors of Kansas, the Greater Kansas City Chamber of Commerce, the Kansas Agribusiness Retailers Association, the Kansas Chamber of Commerce, the Kansas Grain and Feed Association, the

League of Kansas Municipalities, the Overland Park Chamber of Commerce, and the Renew Kansas Biofuels Association. Written-only neutral testimony was provided by representatives of the Kansas Association of School Boards and the Kansas Self-Insurers Association.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on HB 2442, enactment of the bill would have no fiscal effect on state revenues or expenditures. However, the bill could increase school district liability exposure and insurance costs by an indeterminate amount.

Work-based learning programs; liability