



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | MARCH 31, 2026

FIRST ADJOURNMENT: FINAL WEEK DRIVEN BY CONFERENCE NEGOTIATIONS

The Kansas Legislature reached first adjournment after a compressed final week defined by conference committee negotiations, narrow votes, and late-session tradeoffs. Lawmakers advanced a multi-year budget and a targeted property tax measure, while broader structural changes remained unresolved. Much of the final action reflected negotiated outcomes rather than traditional floor debate, leaving several issues unsettled and setting up a focused veto session to determine what becomes law.

PROPERTY TAX DIVIDE: LEGISLATURE ADVANCES LIMITS, REJECTS VALUATION OVERHAUL

Property tax relief efforts ended the session with a split outcome: lawmakers advanced a narrower statutory proposal and rejected a broader constitutional change, while preserving the option to revisit that decision during veto session.

The House failed to adopt the conference committee report on SCR 1603 by a 59-63 vote, falling well short of the two-thirds majority needed to place a constitutional amendment on the ballot. The version presented to the House reflected conference committee negotiations and differed from the earlier House approach.

Rather than using a multi-year averaging method, the final proposal would have capped annual assessed value increases at 9% or a lesser percentage set by law for specified classes of property, with defined exceptions. Supporters argued the cap would address the primary driver of rising tax bills — valuation growth — by limiting year-over-year increases. Opponents raised concerns about restricting local revenue flexibility and embedding tax policy in the constitution.

After the failed vote, a member entered a motion to reconsider, preserving the Legislature's ability to take up the same question during veto session without restarting the process.

In contrast, lawmakers approved Senate Sub. for HB 2745. The measure passed the Senate 22-18 and the House concurred 63-59. Rather than changing valuation, the bill targets local revenue growth. It restricts how much local governments may increase property tax revenues year after year.

The final version ties allowable growth to inflation, capped at 3%, and establishes a protest petition process. If 10% of registered voters sign a petition, the proposed increase is blocked. Supporters viewed the policy as a practical check on local spending, while critics questioned whether the higher petition threshold limits its effectiveness.

Together, the outcomes reflect a continued divide: lawmakers aligned on procedural constraints but did not reach consensus on structural reform.

Why it matters: Lawmakers send to Gov. Laura Kelly (D-Topeka) a tool to slow local property tax revenue growth, while preserving the possibility to revisit a constitutional amendment during veto session that targets valuation — the primary driver of property tax increases.

STATE BUDGET ADVANCES TO GOVERNOR AFTER NARROW FINAL VOTES

Lawmakers approved the conference committee report on HB 2513, sending the state's multi-year budget to Gov. Kelly following close votes in both chambers and a delay in the Senate.

The House adopted the report 67-53, while the Senate approved it 23-16 after withdrawing an initial motion to adopt the report amid concerns about support before returning for final passage later that day.

HB 2513 funds government operations for fiscal years 2026 and 2027, with total state expenditures of approximately \$27 billion across all funding sources in FY 2026. The final agreement reflects a negotiated compromise between earlier House and Senate positions, which differed on overall spending levels and key priorities before converging in conference committee.

The budget balances spending restraint with targeted investments in K-12 education, higher education, workforce initiatives, behavioral health services, and housing programs. It also keeps a State General Fund ending balance well above the statutory requirement, signaling a continued focus on fiscal stability. Debate focused on ongoing fiscal pressure, as projected expenditures continue to outpace revenue growth. Lawmakers also negotiated state employee compensation, settling on a 1% pay increase as a midpoint among competing proposals.

Beyond appropriations, the bill includes numerous provisos — policy directives tied to funding — that shape how agencies implement programs. The agreement includes provisions restricting the use of state funds for diversity, equity, and inclusion activities across certain agencies and institutions. It also includes health and human services provisos tied to KanCare, requiring reporting and oversight on program administration and expenditures.

The narrow margins in both chambers and extended negotiations, including the Senate's delayed consideration, underscore the complexity of reaching agreement at the end of session.

The budget now moves to the governor, who is expected to allow it to become law or exercise line-item veto authority on specific provisions, as allowed for appropriations bills. Any vetoes could prompt further action when lawmakers return for the veto session.

SESSION'S FINAL WEEK RUNS THROUGH CONFERENCE COMMITTEES

The final week of session moved quickly, with conference committees driving most major decisions and floor action reflecting ongoing negotiations rather than settled policy.

Both chambers spent considerable time nonconcurring, acceding to conference, and adopting conference committee reports, underscoring that many issues remained unresolved until the final days.

Floor debate focused on conference reports that combined multiple policy areas into single vehicles — a common late-session practice that allows leadership to move priority items forward efficiently.

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The House also took final action on several heavily amended bills, reflecting differences between earlier House and Senate positions and the role of conference negotiations in shaping final outcomes.

Members raised concerns about both process and substance, particularly when late-session changes limited opportunities for full committee review or floor amendment.

While budget and property tax debates drew the most attention, a wide range of policies advanced through this process. These included final passage of pharmacy benefit manager reforms, legislation creating a new sports authority to oversee a proposed professional sports stadium project building on prior incentive efforts, and updates to STAR bond financing contained in the same legislative package but addressing separate policy considerations.

When the legislature returns for veto session, attention will shift to potential overrides and any remaining efforts to reach agreement on unresolved issues.

WHAT'S LEFT FOR VETO SESSION

With the regular session complete, attention now shifts to what is still unresolved as the Kansas Legislature returns April 9 for a three-day veto session. Facing the constitutional 90-day limit, leadership aims to finish by April 11.

Forty-two bills remain in conference committees, where negotiations may continue. Property tax relief is also still unsettled after lawmakers did not reach agreement before adjournment.

The veto session will focus primarily on gubernatorial action. Bills passed in the final days now await the governor's decision to sign, veto, or allow them to become law without a signature. The state budget, already passed by the legislature, may also return through line-item vetoes.

Lawmakers may consider veto overrides or take further action on unresolved measures. Under Joint Rule K, they may suspend normal deadlines to advance legislation during the veto session.

With limited time remaining, the veto session will determine which issues are resolved — and which carry into the next legislative cycle.

BILL TRACKING HISTORY

A history of the bills we are tracking as of March 31, 2026, can be found [here](#). Most recent actions are listed first.

Kansas Legislative Insights is a publication developed by the government affairs & public policy law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and government relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session and periodically when the legislature is not in session, it focuses on issues involving healthcare, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, and employment. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's government affairs & public policy law practice group leader, C. Edward Watson, II, at 316.291.9589 or cwatson@foulston.com. Learn more about the authors below:

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