

KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JANUARY 26, 2024

WEEK THREE OVERVIEW

Week three opened with another day of wintry weather that delayed the legislators' arrival. The Senate Federal and State Affairs Committee approved a bill addressing the appointment process for vacancies in the offices of lieutenant governor, treasurer, and insurance commissioner. The governor's recommendation would require Senate confirmation under the bill. As introduced, political parties would have filled vacancies, but this approach raised some constitutional issues. Many organizations brought their members to the Statehouse. Wednesday was the busiest day with March for Life, physicians, and unions at the Statehouse.

This week was filled with more than 60 agency budget hearings and consideration of agency budget recommendations. Republican leaders are accelerating the budgeting process with the goal of completing the state budget proposals for each chamber by early March. In an election year with both chambers up for re-election, there is more interest in finishing early to allow members to start fundraising and campaigning.

This week we saw the House and Senate introduce the governor's tax plan. The Senate version is SB 377, and the House version is HB 2586. Next week, we anticipate the introduction of resolutions rejecting the legislative pay increases recommended by the Legislative Compensation Commission. The Legislature only has 30 days to reject the recommendations, or the pay increases go into effect Jan. 1, 2025.

The House Federal and State Committee heard HCR 5020. It proposes a constitutional amendment amending the Kansas Bill of Rights to place possession and use of ammunition, firearm accessories, and firearm components under constitutional protection. Supporters were Attorney General Kobach, several legislators and the NRA. Several rows of advocates from "Moms Demand Action" were in opposition. An Olathe East High School student reminded the committee of the 2021 shooting at her school, where an assistant principal and school resource officer were shot by a student but survived. She described the impact on students and stressed the trauma it generated. More than 60 legislators are sponsors of the resolution. This resolution would require two-thirds majority in the House and Senate.

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Thursday, the Senate Federal and State Affairs Committee heard SB 366, mandating that individuals must request advance ballots. The legislation was opposed by the Kansas County Clerks and Election Officers Association. Currently, counties may send advance voting applications to eligible voters. During the 2020 pandemic, election offices mailed thousands of advance ballot applications to eligible voters. Johnson County mailed applications to all eligible voters at a cost of more than \$130,000 in postage alone. The secretary of state's office was neutral on the bill, but pointed out it would have a financial effect on county election offices. Fewer advance ballots could increase costs associated with higher turnout on Election Day. The Secretary of State appoints the Election Officer for Johnson, Sedgwick, Shawnee and Wyandotte counties. They have already been instructed to not mail applications unless requested for 2024. One conferee pointed out some counties were able to reduce the number of polling places due to advance voting. Another conferee called the bill voter suppression.

NEXT WEEK

Next week, many standing committees will continue budget hearings and deliberations. The House Appropriations and Senate Ways and Means Committees are receiving the reports and taking action. Tuesday, the Senate Ways and Means Committee will be briefed on the request for Kansas to provide some funding for the 2026 World Cup. Next Wednesday, the Senate Assessment and Taxation Committee will be hearing SB 377 – Gov. Kelly's tax plan

- projected to save Kansans more than \$1 billion over three years. Below are the key components of the proposal:
- Cuts state property taxes for Kansas homeowners;
- Entirely eliminates state taxes on Social Security income;
- Increases the standard deduction so Kansans pay less when filing their state income taxes;
- Immediately axes the state sales tax on groceries, diapers, and feminine hygiene products;
- · Provides relief for working families in need of childcare; and
- Creates a back-to-school state sales tax holiday.

BILL INTRODUCTIONS

Courts, Laws, and Regulations

SB 358: EDUCATION. The bill, introduced by the Senate Committee on Federal and State Affairs, would prohibit school districts and local libraries from banning or restricting books or other media based on partisan or doctrinal disapproval or the origin, background, or view of the person contributing to the creation of the book or other media. The board or local library may ban or restrict access to a book or other media if (a) the person requesting the restriction is a resident of the school district and has read the book in its entirety or otherwise perceived the media in its entirety and provides the board a detailed list of reasons such material should be prohibited or banned; or (b) 5% of the qualified electors have signed a request to prohibit the material. The bill has been referred to the Committee on Federal and State Affairs chaired by Sen. Mike Thompson.

SB 362: LOCAL GOVERNMENT. This bill, introduced by the Senate Committee on Local Government, would remove the July 1, 2024, expiration of the Sedgwick County Urban Area Nuisance Abatement Act. This bill has been referred to the Committee on Local Government chaired by Sen. Carolyn McGinn.

SB 370: LAND USE. This bill, introduced by the Senate Committee on Federal and State Affairs, concerns national park land designation and would require legislative approval of any designation of a national heritage or national historic trail in the state or the inclusion of certain property within such designation, and would prohibit state funds from being transferred from state agencies to match federal funds for such areas or trails without approval of the

legislature. This bill has been referred to the Committee on Federal and State Affairs chaired by Sen. Mike Thompson.

SB 372: JUDICIARY. This bill, introduced by the Senate Committee on Federal and State Affairs, creates the Civil Liability and Doxing Act, and would prohibit the intentional publishing of another person's personally identifiable information without the person's consent, and would authorize a civil action to recover damages and obtain an injunction. This bill has been referred to the Senate Committee on the Judiciary chaired by Sen. Kellie Warren.

SB379: PROBATE. This bill, introduced by the Senate Judiciary Committee, concerns the probate code and would provide a longer time for notice to creditors by publication when a petition for administration or probate of a will is filed. The bill would also change the process for transferring personal property by affidavits in small estates and would modify the time requirements for notice by publication related to sales at public auction. This bill has been referred to the Senate Judiciary Committee chaired by Sen. Kellie Warren.

SB 382: APPROPRIATIONS. This bill, introduced by the Senate Committee on Ways and Means, concerns the appropriations for the years ending 2024 through 2028 for state agencies authorizing certain transfers and expenditure limitations of these state agencies. It would fund salary increases for certain state employees and would transfer funds from the legislature employment security fund of the Legislative Coordinating Council to the University of Kansas and Wichita State University health collaboration fund and the state general fund. This bill has been referred to the Senate Committee on Ways and Means chaired by Sen. Rick Billinger.

HB 2537: LOCAL GOVERNMENT. This bill, introduced by the House Committee on Local Government, concerns cities and counties and would require the contractual provisions in the Department of Administration form DA-146a, as amended, be included in all contracts, except when a majority of the members of the governing body votes to omit such provisions. But even if the governing body votes to omit provisions of form DA-146a, the bill would still require certain provisions of form DA-146a included. This bill has been referred to the House Committee on Local Government chaired by Rep. Emil Bergquist.

HB 2545: ABANDONED PROPERTY. This bill, introduced by the House Committee on Commerce, Labor and Economic Development, amends the Self-service Storage Act in three ways: (1) would provide for the sale of property not retrieved by an occupant of self-storage space after the operator has given notice; (2) would allow for electronic signatures and electronic delivery of rental agreements; and (3) would provide for circumstances when rental agreements are effective even when such agreements are not signed or delivered by or to the parties. This bill has been referred to the House Committee on Commerce, Labor and Economic Development chaired by Rep. Sean Tarwater.

HB 2549: ADOPTION. This bill, introduced by the House Committee on Judiciary, relates to the termination of parental rights and would require petitions to terminate parental rights pursuant to Kansas Adoption and Relinquishment Act to be filed only as part of the petition for adoption or in connection with an adoption, and also sets forth filing and form requirements for the instances where a petition to terminate parental rights is filed separately from a petition for adoption. This bill has been referred to the House Committee on Judiciary chaired by Rep. Susan Humphries.

HB 2560: FINANCIAL INSTITUTIONS. This bill, introduced by the House Committee on Financial Institutions and Pensions, relates to the state banking code, and would provide for when an application is considered abandoned or expired. The bill would also allow an originating trustee to have the trustee's principal place of business outside the state. This bill has been referred to the House Committee on Financial Institutions and Pensions chaired by Rep. Nick Hoheisel.

HB 2569: CHILDCARE. This bill, introduced by the House Committee on Commerce, Labor, and Economic Development, relates to childcare licensing service contracts and would prohibit the Secretary of Health and

Environment from renewing such contracts and replace licensing services with state employees. The bill would require the Secretary of Health and Environment to conduct surveys of childcare providers relating to the department's provisions of childcare licensing services. This bill has been referred to the House Committee on Commerce, Labor, and Economic Development chaired by Rep. Sean Tarwater.

HB 2570: EMPLOYMENT. This bill, introduced by the House Committee on Commerce, Labor, and Economic Development, creates the Kansas Unemployment Insurance State Trust Fund Solvency, System Integrity and Tax Credit Preservation Act of 2024 and would extensively revise employment security law. This bill has been referred to the House Committee on Commerce, Labor, and Economic Development chaired by Rep. Sean Tarwater.

Taxation

SB 376: TAXATION. This bill, introduced by the Senate Commitee on Assessment and Taxation, concerns income taxtaion and would extend the sunset for the tax credit for an amount equal to 100% of the amount atributuable to the retirement of indebtedness authorized by a single city port authority established before January 1, 2002. This bill has been referred to the Senate Committee on Assessment and Taxation chaired by Sen. Caryn Tyson.

SB 377: TAXATION. This bill, introduced by the Senate Committee on Assessment and Taxation, is the Senate version of Gov. Kelly's bi-partisan tax bill discussed in earlier issues of KLI. The House will introduce a mirror bill, HB 2586. This bill has been referred to the Senate Committee on Assessment and Taxation chaired by Sen. Caryn Tyson. This bill has been set for hearing Wed., Jan. 31, at 9:30 a.m.

HB 2528: TAXATION. This bill, introduced by the House Committee on Taxation, relates to residential property homestead taxes, and would restrict homestead taxes to not more than the established base year amount for individuals 65 and older. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2529: TAXATION. This bill, introduced by the House Committee on Taxation, would decrease the taxation rate for resident individuals. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2534: TAXATION. This bill introduced by Rep. Pat Proctor (R) – Fort Leavenworth, relates to the Kansas adjusted gross income and would provide a subtraction modification for compensation received for service in the armed forces. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2538: TAXATION. This bill, introduced by the House Committee on Local Government, concerns the taxpayer notification costs fund, and continues through calendar year 2028 the reimbursement from such fund for printing and postage cost of county clerks. The bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2544: TAXATION. This bill, introduced by the House Committee on Commerce, Labor and Economic Development, relates to income privilege and premium tax credits and would establish a tax credit for employers that employ members of the Kansas Army and Air National Guard and would also establish a tax credit for employees that are members thereof. This bill has been referred to the House Committee on Commerce, Labor and Economic Development chaired by Rep. Sean Tarwater.

HB 2546: TAXATION. This bill, introduced by the House Committee on Taxation, concerns sales and compensating use tax and relates to sales of food and food ingredients, and would reduce the rate of tax imposed on such items. This bill would also modify the percent credited to the state highway fund from the revenue collected. The bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2566: TAXATION. This bill, introduced by the House Committee on Taxation, concerns sales and compensating use taxes and provides for origin sourcing (as defined by the new provisions of the act) for certain sales. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HCR 5021: TAXATION. This bill, introduced by Rep. Vic Miller (D) – Topeka, and others, would amend section 1 of article 11 of the Kansas Constitution relating to the assessed valuation of property in determining property taxes for real property used for resident purposes and for property necessary to accommodate a residential community of mobile or manufactured homes. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

Utilities

HB 2527: PUBLIC UTILITIES. This bill, introduced by the House Committee on Energy, Utilities and Telecommunications, relates to public utilities and the state corporation commission and would authorize cost recovery mechanisms for certain rate base additions and would require the commission to evaluate the capital structure of certain public utilities without regard for the entities affiliated with such public utility. The bill would also authorize certain public utilities to elect a specific return on equity in rate proceedings. Finally, the bill would increase the peak demand threshold and discount term for economic development electric rates for large facilities, remove requirements for tracking and deferral to a regulatory asset of revenue reductions caused by economic development rates, and authorize a rate adjustment mechanism for the construction of new gas-fired electric generating facilities. This bill has been referred to the House Committee on Energy, Utilities and Telecommunications chaired by Rep. Leo Delperdang.

Healthcare and Insurance

SB 384: HEALTHCARE. This bill, introduced by the Senate Committee on Local Government, relates to emergency medical services, and details the staffing required for ambulances to operate in rural cities and counties. This bill has been referred to the Senate Committee on Local Government chaired by Sen. Carolyn McGinn, and is scheduled to be heard on Thurs., Feb. 1, at 9:30 a.m.

HB 2532: INSURANCE. This bill, introduced by the House Committee on Insurance, relates to group-funded liability and group-funded workers compensation pools and would change certain coverage and notification requirements. This bill mirrors SB 338. The bill has been referred to the House Committee on Insurance chaired by Rep. William Sutton.

HB 2548: HEALTHCARE. This bill, introduced by the House Committee on Health and Human Services, creates the No Patient Left Alone Act and would require hospitals, adult care homes and hospice facilities to allow inperson visitation to any person designated by the patient if the patient has the capacity to make such designation, and if the patient does not have such capacity, a visitor who is either an immediate family member, domestic partner or significant other, essential caregiver or minister priest, rabbi or other clergy person may visit. This bill has been referred to the House Committee on Health and Human Services chaired by Rep. Brenda Landwehr.

Agriculture

HB 2541: NATURAL RESOURCES. This bill, introduced by the House Committee on Agriculture and Natural Resources relates to the state moneys for conservation and would establish the state conservation fund, the working lands conservation fund, the wildlife conservation fund, and the Kansas outdoors fund, and would allow the

Department of Wildlife and Parks to use the moneys in such funds requiring certain reports regarding those funds to be provided to both the governor and the legislature. The bill would also authorize transfers from the state general fund and the lottery operating fund for the purpose of funding the newly established funds. This bill has been referred to the House Committee on Agriculture and Natural Resources chaired by Rep. Ken Rahjes.

BILL TRACKING HISTORY

A history of the bills we are tracking as of Jan. 25, 2024, can be found here.

Kansas Legislative Insights is a publication developed by the Governmental Affairs & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental 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, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Affairs & Public Policy Law practice group leader, C. Edward Watson, II, at 316.291.9589 or cewatson@foulston.com. Learn more about the authors below:

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