

Weekly Legislative Report -----Kansas Legislature 2020

Kansas Legislative Report, January 20-24, 2020

Even with the Martin Luther King Jr. holiday on Monday, the Kansas Legislature had a full and eventful second week of the session. The quicker-than-usual pace continued as lawmakers didn't wait to start work on several headliner topics like abortion, property taxes, and healthcare.

Budget (from Rob)

Budget committees continued their review of various legislative issues this week. These informational meetings will be useful when the deliberations on state agency budgets start soon.

Last year some legislators toured the children's health system and facilities in North Carolina. That state was chosen because of its similarity in the make-up of its legislature and state government to Kansas. That trip was reviewed for the House Appropriations Committee, and their discussion was focused on early childhood development programs. The push in Kansas on this issue is how early childhood development can determine how children do in school thru K-12, and their overall health. Healthier kids don't have to use state programs as frequently. The Chair of the committee also noted the success of reading programs for pre-K children.

Appropriation Committee members also heard from the Secretary of KDOT on future transportation plans. Past plans have focused on ten-year time periods and have had a set number of projects. The Secretary is proposing a new method which would be more flexible in its development. It would involve more local input, and projects wouldn't be planned so far out in advance, so communities could better adapt to changes in their growth. The new process also counts on a sturdier funding stream, meaning the Bank of KDOT would be closed

Significant Dates and Events

Monday, February 3rd

Last day for member or members to REQUEST bill drafts from Revisor's office.

Monday, February 10th

Last day for non-exempt Committees to REQUEST bill drafts from the Revisor's office.

NOTE: This is the last day requests for introduction can be on nonexempt committee agendas.

Wednesday, February 12th

Last day for Individuals to INTRODUCE bills in originating chamber. NOTE: Bills must be submitted to chamber staff during daily session for Introduction.



and highway funding go to funding transportation. This funding stream will be a big issue going forward.

The Senate Ways and Means Committee heard from legislative auditors on the success of the State's economic development programs. Recent audits show that Kansas can do better using eco devo for economic development. Audits have shown the need for better practices for use and monitoring of eco devo funds and programs. Budget committee members have been concerned about this in the past, and they will likely ask for tighter reins on these funds in the future.

Ways and Means also discussed their recent bus tour of mental health facilities in Kansas. Programs and facilities all over the state were visited. Legislators are interested in a regional system of mental health care. There is ongoing concern about the number of beds available for people who need mental health services, especially those who are outside of urban areas. Local and regional services were visited on the tour, as were the state hospitals. The Chair of the committee noted that they will do a lot of work on this issue during budget deliberations.

The Docking State Office Building was discussed in both committees. The State's largest office building is almost vacant now; and plans for its future use haven't been decided. It's possible the 12-story structure could be remodeled or brought down to 4-6 stories. One state agency is proposing moving its labs to the building. Legislators will consider the use of the building, and the cost of operating it as they decide its future.

Abortion Constitutional Amendment

In a joint session of the Senate Judiciary and House Federal and State Affairs Committees on Tuesday, advocates swarmed the statehouse for an all-day hearing on the proposed constitutional amendment that would allow legislative regulation of abortion in Kansas. The proposal is in response to the Kansas Supreme Court's decision last year that ruled the right to an abortion is constitutionally-protected.

Both committees quickly approved the measure on Wednesday sending identical resolutions to their full Chambers. It's still unclear which Chamber will debate the issue first. If approved by a two-thirds majority of the Legislature, the constitutional amendment will be placed on the August primary election ballot.

House GOP Leadership Agenda

House Republican leaders unveiled a five-part "Make Kansas Work" plan on Thursday that aims to assist Kansans toward self-sufficiency over government

assistance. The proposal is estimated to cost \$30-\$50 million. The plan will be introduced as five different bills:

- Increasing the Social Security tax exemption for seniors to \$100,000 from \$75,000.
- Giving first-time home buyers a tax deduction as they save for a new home.
- Creating a \$30 million fund to match private support aimed at helping rural hospitals.
- Creating a tax credit for businesses that employ anyone with a disability in an integrated setting where they work alongside those without disabilities.
- Creating a scholarship program for Kansas graduates who complete a certificate or two-year program in one of the areas of the state facing a labor shortage.

Taxes

The Senate Assessment and Taxation Committee this week began hearing several of the bills on the docket this year dealing with comprehensive property tax reform. [Senate Bills 262, 263, 264, 265, 266](#) mainly address issues with appraisers and appraisal methods. The hearings continue into next week on [Senate Bill 272](#), which would prohibit county appraisers and the state board of tax appeals (BOTA) from increasing the valuation of county appraised property in valuation appeals; and [Senate Bill 273](#), which would allow taxpayers to attend BOTA hearings by use of electronic communication.

The House Taxation Committee held a hearing on [House Bill 2278](#), which would assess income taxes using a formula to find each individual taxpayer's rate. It would reduce Kansas' tax brackets from three to two. There was not much support for the bill during the hearing.

The House Taxation Committee scheduled a hearing on [House Bill 2466](#) next Monday. The bill would enact the Kansas Taxpayer Protection Act, requiring a signature and tax identification number of paid tax return preparers and penalize any fraudulent tax preparers found participating in misconduct on behalf of Kansas taxpayers.

Healthcare

As promised, the Senate Public Health and Welfare Committee began the long string of hearings on [Senate Bill 252](#), which is the Governor's latest Medicaid expansion proposal. Proponents testified Thursday and Friday, while opponent and neutral conferees will testify next Tuesday – Thursday. The plan would expand Medicaid to an additional 130,000 Kansans, mostly those from age 19 to 64 who don't have health insurance and who earn less than 138% of the national



poverty level. The measure also contains a \$35 million health care fee for hospitals and clinics that is said will be used to bring down premiums on many private health insurance plans by 20 percent. The bill includes a provision that ends the expansion program if at any time federal assistance falls below the current 90% funding level.

The Senate Federal and State Affairs Committee is scheduled to hold its hearing on [Senate Bill 255](#) next Thursday, which would automatically appropriate \$10 million per year to the University of Kansas Medical Center, creating the Cancer Research and Public Information Trust Fund. The Legislature heard from the KU Cancer Center last week on how this consistent funding will secure its National Cancer Institute (NCI) designation, which is the only NCI-designated cancer center in Kansas and one of only 71 such centers in the nation.

Insurance and Financial

The House Committee on Insurance heard [House Bill 2053](#) on Wednesday, which clarifies the definition of short-term limited-duration health plans to a policy period less than one year with extensions allowed to 36 months. The bill would also require insurance companies that issue these policies to disclose requirements in the Affordable Care Act regarding preexisting conditions and minimum essential coverage.

The Senate Financial Institutions and Insurance Committee is holding hearings on [Senate Bill 281](#) and [Senate Bill 282](#) next Wednesday. Both bills relate to transparency and disclosure of direct pay pricing and insurance coverage of healthcare procedures to patients.

A contentious three days of hearings were held this week in the Senate Financial Institutions and Insurance Committee on [Senate Bill 259](#), which grants banks a privilege tax deduction for net interest from certain business and single-family residence loans. Proponents testified on Tuesday claiming that the bill would level the playing field with credit unions and allow them to compete with Farm Credit for rural housing business. Opponents argued that the bill would give for-profit banks the tax benefits of not-for-profit credit union cooperatives while not requiring them to adhere to the same market restrictions.

[Senate Bill 283](#) will have a hearing next Wednesday in the Senate Federal and State Affairs Committee. The bill is supported by all of the state-owned casinos and would authorize sports wagering under the Kansas expanded lottery act.

Legal Reform

Stakeholders interested in the Kansas Supreme Court's decision last year that ruled the caps on non-economic damages was unconstitutional, are holding off to

introduce specific legislation in response until the affects – particularly on medical malpractice – are more certain. Rather, a comprehensive package of tort reform proposals will be pursued in the meantime to address the general legal climate in Kansas. A bill is scheduled to be introduced next week with the following provisions:

- Modification from a court case dealing with limiting attorney fees on insurance claims under an umbrella policy.
- Truth in advertising to protect consumer data.
- Disclosure of third-party financing when hedge funds are investing in lawsuits.
- Capping attorney fees including contingency cases.

The Kansas Attorney General (AG) Derek Schmidt introduced a bill this week, [House Bill 2461](#), which gives approval authority to the AG's office before a public entity can enter into a contract for legal services on a contingent basis. As plaintiff attorneys are on the rise offering to seek damages resulting from vaping, opioid abuse, and climate change, supporters of the bill hope to coordinate statewide litigation efforts that affect all Kansans rather than local jurisdictions engaging in a patch-work of lawsuits on their own. The hearing is scheduled in the House Judiciary Committee next Wednesday.

Agriculture

A hearing was held on [House Bill 2437](#) on Thursday in the House Agriculture Committee, which was introduced by the Kansas Livestock Association to prohibit the use of meat terms on labels or in advertising of meat analog products without certain clarifying disclaimers. Concerns among committee members arose after hearing testimony from attorneys claiming that the bill would put the state in danger of being sued over constitutionality of free speech. The bill was scheduled to be worked on Monday but has been pulled from the calendar.

A hearing on [House Bill 2432](#) will be held next Tuesday in the House Agriculture Committee, which would transfer \$50,000 per year from the Kansas Agricultural Remediation fund toward establishing and administering the pesticide waste disposal program within the KDA. Agricultural businesses which pay into the fund support the safe collection and disposal of pesticide waste materials.

[Senate Bill 153](#), which would allow the Kansas Department of Health and Environment to set reportable quantities of chemical spills, is a rollover bill from last year. It stalled in the Senate Agriculture and Natural Resources Committee after agriculture interests voiced concern over civil penalty provisions. The Chairman plans to work the bill next Wednesday, and it's expected to be amended with language upon which all parties have agreed.



A hearing was held on Thursday in the House Federal and State Affairs Committee on [House Bill 2411](#), which would limit the review of certain rules and regulations by the Director of Budget. Many conferees during the hearing recognized that while procedural revisions could be made to the Rules and Regulations Filing Act, heavily-regulated industries support more transparency and accountability when government regulations are proposed. Stakeholders met on Friday to work with the Budget Director's office on compromise language. The bill is scheduled to be worked next Wednesday.

Bill hearings looking ahead...

- A hearing on [House Bill 2460](#) will be held in the House Taxation Committee on February 3rd which provides an income tax credit to short line railroads for qualified track maintenance expenditures. Agribusiness interests are looking to amend the bill to extend the tax credits to grain elevators and ag retailers.
- Hearings on [Senate Bills 285](#), [286](#), and [287](#) will be held in the Senate Agriculture and Natural Resources Committee on February 5th. The bills extend the sunset of underground storage tank redevelopment funds, as well as raises the reimbursable amount to tank owners that upgrade their tanks to double-wall systems.

Bill Number	Bill Sponsor	Bill Subject	Current Status	Last Action	Notes
SB 9	Molly Baumgardner, R-37th	Authorizing the transfer of \$115,000,000 from the state general fund to the Kansas public employees retirement fund during fiscal year 2019	Approved by Governor	3/8/19 Approved by Governor Laura Kelly	
SB 13	Caryn Tyson, R-12th	Increasing and allowing Kansas itemized deductions, allowing individual expensing deduction, providing for certain income tax credits, allowing rural opportunity zone for certain counties, extending certain counties countywide retailers' sales tax, providing for sales tax definitions and exemptions for certain sales	In Senate Federal Tax Code Implementation	01/18/2019 - Senate Withdrawn from Assessment and Taxation; referred to Federal Tax Code Implementation	

SB 22	Senate Federal and State Affairs Committee	Kansas itemized deductions, election, providing for deferred foreign income, global intangible low-taxed income, business interest, capital contributions and FDIC premiums income tax modifications	Veto sustained	04/24/2019 - Senate No motion to reconsider; veto sustained	
SB 47	Senate Assessment and Taxation Committee	Creating the student opportunity scholarship program	In Senate Education	02/13/2019 - Senate Scheduled Final Action in Education: Wednesday, 2/20, 1:30 PM, Rm 144-S	
SB 57	Mike Petersen, R-28th	Requiring review of information technology contracts by the joint committee on information technology	In Senate Ways and Means	03/18/2019 - Senate Scheduled Hearing in Ways and Means: Wednesday, 3/20, 10:30 AM, Rm 548-S	
SB 71	Senate Education Committee	Eliminating the expiration of the postsecondary technical education authority and	Approved by Governor	4/10/19	

		requiring a report to the legislature		Approved by Governor Laura Kelly	
SB 72	Senate Ways and Means Committee	Supplemental appropriations for FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 and FY 2024 for various state agencies	In Senate Ways and Means	03/08/2019 - Senate Scheduled Hearing in Ways and Means: Tuesday, 3/12, 10:30 AM, Rm 548-S	
SB 74	Senate Ways and Means Committee	Providing a post-retirement benefit increase (COLA) for certain KPERS retirants	In Senate Ways and Means	02/01/2019 - Senate Referred to Ways and Means	
HB 2005	Elizabeth Bishop, D-88th	Allowing an individual to itemize deductions in Kansas despite not itemizing on their federal return	In House Taxation	01/15/2019 - House Referred to Taxation	
HB 2011	Nick Hoheisel, R-97th	Sales tax exemption for required textbooks	In House Taxation	02/07/2019 - House Scheduled Hearing in Taxation: Tuesday, 2/12, 3:30 PM, Rm 112-N	
HB 2100	House Financial	Providing a post-	In House Financial	02/06/2019 - House	

	Institutions and Pensions Committee	retirement benefit increase (COLA) for certain KPERS retirants	Institutions and Pensions	Scheduled Hearing in Financial Institutions and Pensions: Monday, 2/11, 9:00 AM, Rm 281-N	
HB 2112	Kenneth Collins, R-2nd	Adding Crawford and Dickinson counties to the list of eligible rural opportunity zone counties	Stricken from Calendar in House	02/28/2019 - House Stricken from Calendar	
HB 2121	House Appropriations Committee	Supplemental appropriations for FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 and FY 2024 for various state agencies	In House Appropriations	03/13/2019 - House Scheduled Discussion and Possible Action in Appropriations : Tuesday, 3/19, 9:00 AM, Rm 112-N	
HB 2153	House Federal and State Affairs Committee	Repealing statutes pertaining to student religious associations	In House Federal and State Affairs	02/07/2019 - House Referred to Federal and State Affairs	
HB 2216	John Alcala, D-57th	Establishing state employee student loan repayment assistance act	In House Higher Education Budget	02/13/2019 - House Scheduled Hearing in Higher Education: Wednesday, 2/20, 1:30 PM, Rm 281-N	

HB 2264	Brandon Whipple, D-96th	Providing a tax credit to pell grant recipients at a postsecondary educational institution	In House Taxation	02/13/2019 - House Referred to Taxation	
HB 2265	Brandon Whipple, D-96th	Award of college credit hours for passing CLEP and other college examination programs	In House Higher Education Budget	02/15/2019 - House Scheduled Hearing in Education Budget: Wednesday, 2/20, 1:30 PM, Rm 281-N	
HB 2266	Brandon Whipple, D-96th	Prohibiting universities from charging fees for certain scholarship applications	In House Higher Education Budget	02/13/2019 - House Referred to Higher Education Budget	
HB 2288	Renee Erickson, R-87th	Creating the Kansas student and educator freedom of religious speech act	In House Education	02/18/2019 - House Scheduled Hearing in Education: Thursday, 2/21, 1:30 PM, Rm 218-N	
HB 2297	Barbara Ballard, D-44th	Permanently exempting postsecondary educational institutions from the public buildings law under the personal and family protection act	In House Federal and State Affairs	02/14/2019 - House Referred to Federal and State Affairs	

HB 2301	Brandon Whipple, D-96th	Establishing the tax credit for low income postsecondary students scholarship program act and providing for the elimination of the tax credit for low income students scholarship program act	In House Taxation	02/14/2019 - House Referred to Taxation	
HB 2312	Tim Hodge, D-72nd	Establishing the rural revitalization student loan repayment program	In House Commerce, Labor and Economic Development	02/14/2019 - House Referred to Commerce, Labor and Economic Development	
HB 2443	Ponka-We Victors, D-103rd	Requiring resident tuition rates for certain Native American students at public postsecondary educational institutions	In House Higher Education Budget	01/23/2020 - House Scheduled Hearing in Higher Education Budget: Wednesday, 1/29, 1:30 PM, Rm 281-N	