

Weekly Legislative Report -----Kansas Legislature 2021

March 29-31, 2021

It was a quick few days in the Kansas Legislature. The House worked on Monday and Tuesday, passing 23 bills from their chamber. The Senate worked an extra day on Wednesday, passing 38 bills. Despite the short week, the Legislature took action on several key issues that have dominated much of this year's discussions. This clears the path for final budget negotiations and any potential veto overrides that typically close out the legislative session.

Significant Dates and Events

Friday, March 31st

Last day to consider non-exempt bills in either chamber.

Friday, April 9th (Drop Dead Day)

First adjournment.

Veto session is anticipated to begin on **Monday, May 3rd**

Lawmakers are enjoying an extended Easter weekend break and will return to Topeka on Tuesday, April 6. Conference committees are scheduled to meet next week until first adjournment on Friday, April 9.

Mask Mandate

Both the House and Senate passed along party lines resolutions this week, sending a message to Governor Kelly that the Legislature is strongly opposed to and will reject any new statewide mask mandate. [House Concurrent Resolution 6015](#) passed 84-39, and a similar resolution passed the Senate 29-11.

According to [Senate Bill 40](#) that she signed into law last week, all of the Governor's current emergency executive orders expired yesterday; and any new orders are now subject to legislative approval. The Governor announced today that she is issuing a new statewide mask mandate, along with 11 other executive orders to remain in effect until the current emergency declaration ends on May 28. The Legislative Coordinating Council will meet this afternoon to consider all of these new executive orders.

Federal Tax Decoupling

The Legislature passed [Senate Bill 50](#) and sent it to Governor Kelly's desk this week. SB 50 is a tax bill that was vetoed by the Governor in both 2019 and 2020. It decouples Kansas from several provisions in the federal Tax Cuts and Jobs Act



of 2017, most notably prohibiting the state from taxing certain foreign income made by multinational corporations headquartered in Kansas. The bill also increases the standard deduction for all Kansas income taxpayers and allows itemization on state returns regardless federal filing status.

The difference in SB 50 and previous versions sent to the Governor is a requirement for internet marketplace facilitators to collect and remit sales and transient guest taxes when annual sales exceed \$100,000. This particular provision is supported by Governor Kelly and lowers the fiscal note on the bill to under \$300 million over three years.

The Senate passed the bill this week with a veto-proof majority, 30-10. The House, however, passed it by a vote of 81-43. If indeed the Legislature faces a veto override on SB 50, the House would need to flip three votes to get to a two-thirds majority.

Property Tax Reform

After House and Senate negotiators agreed to a compromise on Monday, the Senate adopted the [Conference Committee Report on Senate Substitute for House bill 2104](#) by a vote of 25-14. The House is expected to approve the CCR next week and send the bill to the Governor.

HB 2104 makes the following reforms to appraiser and Board of Tax Appeals (BOTA) state policy:

- Requires all county appraiser continuing education credits to be approved by the Kansas real estate appraisal board.
- Gives authority to the Kansas Department of Revenue's Property Valuation Division to remove appraisers from their approved list if previously terminated in another county.
- Requires that all appraisals are in compliance with the uniform standards of professional appraisal practice (USPAP).
- Places the burden of proof on the county appraiser in certain valuation and classification appeal hearings before the district court.
- Allows the governor to appoint former BOTA members in good standing to temporarily fill vacancies and relieve the backlog of cases.
- Prohibits BOTA from increasing the appraised valuation of a property higher than the original amount during an appeal.
- Changes the law from *"14 days of receiving the board's decision"* to *"14 days after service of the board's decision"* to eliminate ambiguity on the deadline to request a full opinion from BOTA.



- Allows for electronic notice between BOTA and the taxpayer if consent is granted.

Unemployment Insurance

After making a few amendments, the Senate unanimously approved [Senate Substitute for House Bill 2196](#) this week. The bill modernizes and reforms an outdated Unemployment Insurance (UI) system in response to widespread identity theft and millions of dollars paid in fraudulent claims made during the pandemic.

The Senate's changes include giving authorization to the Legislative Coordinating Council to set and extend the deadline for the UI system modification project; clarifying that victims of identity theft are not liable for fraudulent claims; allocating two \$250 million payments into the UI Trust Fund from federal relief dollars; and creating a new felony offense for individuals living in other states or countries who commit UI fraud.

Economic Development Incentives

The following economic development tax incentive bills received their final approval by the Legislature this week and are now headed to the Governor's desk:

[SB 66](#) extends the Angel Investor program for five years and increases the tax credit received from investments made in small, start-up companies in Kansas. Mostly in the biosciences industry, these companies would also no longer be required to stay in Kansas for 10 years after they receive the investment.

[SB 65](#) repeals the requirement that businesses participate in either the Kansas Industrial Training (KIT) or Kansas Industrial Retraining (KIR) programs to be eligible for the High-Performance Incentive Program (HPIP) tax credit. It would also allow a company to transfer up to 50% of their HPIP tax credits to another company or individual each year.

[SB 124](#) extends the expiring Sales Tax as Revenue (STAR) bonds program until 2026. The proposal also makes rural development projects eligible, increases the capital investment threshold from \$50 million to \$75 million, and adds more transparency reporting and visitor tracking of projects.

Sports Wagering

The House rejected a proposal to legalize sports betting in Kansas this week. [House Substitute for Substitute for Senate Bill 84](#) would have allowed wagering



at the four state-owned casinos, the Kansas Speedway, and 1,200 lottery retailers across the state. It authorized the Kansas Lottery to operate sports wagering through an online application and taxed those bets by 20%.

Probably the main provision that tanked the bill was re-authorizing a Sedgwick County ballot question relating to the operation of slot machines at the now-closed Greyhound racetrack. The Attorney General advised the state that allowing the revote would violate Kansas' non-compete clause on expanded gaming with the casinos. Many legislators were not willing to risk potential lawsuits and having to pay back millions of dollars on privilege fees and interest.

The Senate has a much narrower sports wagering proposal that is still in play and could be reconsidered later this session.

Short-term Health Plans

The Senate passed [Senate Bill 199](#) by a vote of 27-6 this week, a bill that provides for short-term, limited-duration health plans in Kansas. The bill would specify that the plans should cover a policy period of less than 12 months with renewal or extension periods up to a maximum policy period of 36 months. The bill would also require insurance companies to disclose information to consumers on preexisting conditions and minimum essential coverage.

Tourism Moves to Commerce

Governor Kelly announced on Monday that the Kansas Tourism Division will officially be part of the Kansas Department of Commerce, in accordance with the Executive Reorganization Order (ERO) she submitted to the legislature on January 25. The 60-day calendar period has expired without action by either the House or Senate, therefore the reorganization will automatically occur starting July 1.

DOL Secretary Appointment

The Senate voted yesterday to unanimously confirm the appointment of Amber Shultz as the Kansas Secretary of Labor. Shultz will oversee the state Unemployment Insurance, Workers Compensation, Labor Market Information Services, Labor Relations, Legal Services and Industrial Safety and Health divisions.

Since Secretary Shultz began her tenure as Acting Secretary, she has been able to lead the agency through a number of major initiatives, mainly the recent deployment of a new fraud mitigation software solution that has blocked millions of fraudulent login attempts.

Bill Number	Bill Sponsor	Bill Subject	Current Status	Last Action	Notes
SB 23	Senate Assessment and Taxation Committee	Providing for abatement of property tax for certain buildings or improvements destroyed or substantially destroyed by natural disaster	In House Taxation	03/04/2021 - House Referred to Taxation	
SB 32	Senate Education Committee	Authorizing school districts to pay the tuition for a student's dual or concurrent enrollment in a postsecondary educational institution and requiring a tuition waiver for foster children who are dually or concurrently enrolled	In House Appropriations	03/31/2021 - House Withdrawn from Committee of the Whole; referred to Appropriations	
SB 34	Senate Federal and State Affairs Committee	Sunsetting administrative rules and regulations five years after adoption unless extended by the legislature	In Senate Federal and State Affairs	01/21/2021 - Senate Scheduled Hearing in Federal and State Affairs: Tuesday, 1/26, 10:30 AM, Rm 144-S	

SB 44	Senate Education Committee	Expanding the low-income family postsecondary savings accounts incentive program to include military servicemembers and veterans and allowing contributions by charitable organizations	In Senate Education	01/22/2021 - Senate Withdrawn from Ways and Means; referred to Education	
SB 61	Senate Education Committee	Amending the tax credit for low income students scholarship program act to expand student eligibility	In House K-12 Education Budget	02/22/2021 - House Scheduled Hearing in K-12 Education Budget: Tuesday, 2/23, 3:30 PM, Rm 546-S	
SB 64	Senate Education Committee	Amending the private and out-of-state postsecondary educational institution act to clarify the state board of regents' authority and provide additional student protections and institutional accountability	Pending action by Governor	03/26/2021 - Senate Enrolled and presented to the Governor	

SB 96	Virgil Peck, R-15th	Repealing the provision of Kansas residency for purposes of tuition and fees at a postsecondary educational institution for individuals who are not lawfully present in the United States	In Senate Federal and State Affairs	01/29/2021 - Senate Referred to Federal and State Affairs	
SB 208	Senate Federal and State Affairs Committee	Creating the fairness in women's sports act to require that female student athletic teams only include members who are biologically female	In House Education	03/22/2021 - House Referred to Education	
Sub for SB 267	Senate Ways and Means Committee	Appropriations for FY 2022, FY 2023 and FY 2024 for various state agencies	In House Appropriations	03/22/2021 - House Referred to Appropriations	
H Sub for Sub for SB 273	Senate Federal and State Affairs Committee	Directing that tobacco product manufacturer remittances be credited to the Kansas endowment for youth fund rather than deposited into	Nonconcurrent in Senate	03/30/2021 - Senate	

		escrow upon certification by the attorney general		Nonconcurrent; appointed Warren, Wilborn and Haley	
HB 2003	Jim Kelly, R-11th	Providing for county treasurers to establish a payment plan for the payment of delinquent or nondelinquent taxes	In House Taxation	01/12/2021 - House Referred to Taxation	
HB 2023	Ron Highland, R-51st	Changing to an eight-year simple average when determining values of agricultural land for purposes of property taxation	In House Taxation	01/27/2021 - House Scheduled Hearing in Taxation: Wednesday, 2/3, 3:30 PM, Rm 346-S	
HB 2045	Stephen Owens, R-74th	Revising the Kansas angel investor tax credit act with respect to the definition of qualified securities, tax credit limitations and amounts, investor requirements and extending the date that credits may be allowed	In Senate Commerce	03/05/2021 - Senate Referred to Commerce	

HB 2048	House Federal and State Affairs Committee	Extending certain provisions of the governmental response to the COVID-19 pandemic in Kansas and providing certain relief related to health, welfare, property and economic security during this public health emergency	On General Orders in House	01/19/2021 - House Committee Report recommending bill be passed as amended by Judiciary	
HB 2058	House Federal and State Affairs Committee	Allowing reciprocity to recognize out-of-state licenses to carry a concealed handgun	In Senate Federal and State Affairs	03/17/2021 - Senate Scheduled Hearing in Federal and State Affairs: Monday, 3/22, 10:30 AM, Rm 144-S	
HB 2063	Joint Committee on Pensions, Investments and Benefits	Providing certain KP&F tier II spousal and children's benefits for death resulting from a service-connected disability	Pending action by Governor	03/26/2021 - House Enrolled and presented to the Governor	

HB 2085	House Education Committee	Creating the students' right to know act to provide information on postsecondary education options	Pending enrollment	03/31/2021 - Senate Final Action: Passed; Yeas 40, Nays 0	
HB 2101	House Appropriations Committee	Extending transfers from the expanded lottery act revenues fund to the university engineering initiative	Pending enrollment	03/31/2021 - Senate Final Action: Passed; Yeas 37, Nays 2	
Sub for HB 2119	House K-12 Education Budget Committee	Making and concerning appropriations for the department of education for fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023, creating and expanding school choice programs, restricting remote learning and remote enrollment and extending the statewide property tax levy for schools	Passed in House	03/30/2021 - House Emergencied to Final Action: Substitute passed as amended; Yeas 65, Nays 58	

HB 2173	House Taxation Committee	Requiring marketplace facilitators to collect and remit sales, use, transient guest taxes and 911 fees from sales made through their platforms, providing nexus for certain retailers and removing click-through nexus provisions	In House Taxation	02/03/2021 - House Scheduled Hearing in Taxation: Wednesday, 2/10, 3:30 PM, Rm 346-S	
HB 2188	House Appropriations Committee	Requiring review by the joint committee on information technology of state agency contracts for certain information technology projects	In House Appropriations	2/17/21 Scheduled Info Briefing in Committee on Information Technology: Tuesday, 2/23, 11:30 AM, Rm 218-N	
HB 2264	House Judiciary Committee	Permitting student athletes at postsecondary educational institutions to receive compensation for the use of their name, image, likeness rights or athletic reputation	In Senate Federal and State Affairs	03/11/2021 - Senate Scheduled Hearing in Federal and State Affairs: Thursday, 3/18, 10:30 AM, Rm 144-S	

HB 2265	Brandon Woodard, D-30th	Providing a sales tax exemption for required textbooks and authorizing a local sales tax on required textbooks	In House Taxation	02/17/2021 - House Scheduled Hearing in Taxation: Monday, 2/22, 3:30 PM, Rm 346-S	
HB 2286	Randy Garber, R-62nd	Creating the campus intellectual diversity act to establish an office of public policy events at each public postsecondary educational institution	In House Appropriations	02/10/2021 - House Referred to Appropriations	
HB 2396	House Appropriations Committee	Making supplemental appropriations for fiscal years 2021 through 2032 for various state agencies and revising the pooled money investment portfolio repayment schedule	In House Appropriations	03/03/2021 - House Scheduled Hearing in Appropriations : Wednesday, 3/10, 9:00 AM, Rm 112-N	

Bill Number	Bill Sponsor	Bill Subject	Current Status	Last Action	Notes
Sub for HB 2397	House Appropriations Committee	Appropriations for FY 2021, FY 2022, FY 2023 and FY 2024 for various state agencies	Passed in House	03/30/2021 - House Emergencied to Final Action: Substitute passed as amended; Yeas 71, Nays 52	
HB 2407	House Federal and State Affairs Committee	Requiring postsecondary educational institutions to adopt a policy on sexual assault, domestic violence, dating violence and stalking	In House Federal and State Affairs	02/23/2021 - House Referred to Federal and State Affairs	