

## **Weekly Legislative Report -----Kansas Legislature 2021**

**January 25-29, 2021**

It was the first full week since the 2021 Legislative Session began, and committees took advantage of each day to hear and take action on dozens of bills. We also saw 119 bills introduced this week alone as lawmakers near the first legislative deadline on Monday, when all requests for bill drafts by the Revisor's office must be completed.

### **Governor Signs State of Emergency Extension**

Governor Laura Kelly signed [Senate Bill 14](#) into law this week. The state's emergency declaration and COVID-19 liability protections for businesses and healthcare providers are now extended through March 31, 2021. The Judiciary Committees' work just now begins as they start a deep dive into comprehensive changes to the Emergency Management Act, which are expected to include tighter restrictions on the governor's executive powers during a declared state emergency.

### **Abortion Amendment Goes to the Voters**

The Value Them Both constitutional amendment, [House Concurrent Resolution 5003](#), received the two-thirds majority vote required in order to be placed on the August 2, 2022 primary election ballot. Registered voters will now determine whether or not the Legislature has the power to pass laws regulating abortion in Kansas.

The Senate debated the resolution for two hours on Thursday before adopting it by a vote of 28-11. The House passed it 86-38 last Friday. The Governor is not required to sign off on a proposed constitutional amendment. The debate began

### **Significant Dates and Events**

#### **Monday, February 1<sup>st</sup>**

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

#### **Monday, February 8<sup>th</sup>**

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 10<sup>th</sup>**

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



last year after the Supreme Court's 2019 decision that the Kansas Constitution guarantees the personal right for women to have an abortion.

### **State Budget Recap**

The budget committees had a mixed bag of business this week. They received more updates from state agencies and began work on a few new pieces of legislation.

The House Appropriations Committee heard from the Kansas Lottery and Gaming Commission that reported casino revenue drops but higher jackpots as a result of people buying more lottery tickets. New lottery ticket sales machines are popping up across the state with more being rolled out later this year. The committee also passed a bill dealing with the funding of abandoned oil and gas wells. This legislation was left over from last year's shortened session.

The Chief Justice of the Kansas Supreme Court provided the budget committees an update on the judicial system in Kansas. They reported that the pandemic has negatively impacted court revenues across the state with most courthouses restricting business and visitors. Court fee collections have dropped, which mostly goes toward staff salaries. With fewer staff, more cases are delayed on both the criminal and civil sides of the justice system.

The Senate Ways and Means Committee also received agency reports, including from the Office of Recovery and Department of Commerce regarding federal funds for COVID relief and how those dollars are distributed.

Budget subcommittees will begin meeting next week and starting their usual process of crafting their agency budgets to present to the full Appropriations and Ways and Means Committees soon. Only this year, they'll have to consider COVID-related budget items as well.

### **Decoupling Tax Bill Stalls**

The Senate Assessment and Taxation Committee continued its hearing on [Senate Bill 22](#) on Thursday, which hit a roadblock last week after the Kansas Department of Revenue released its \$330 million fiscal note. This week's hearing was also suspended as leaders find ways to lower the cost of the bill. SB 22 would decouple Kansas from a number of federal corporate tax policies following the 2017 Tax Cuts and Jobs Act and would allow state itemization of tax returns regardless of whether or not taxpayers itemize on their federal returns. There are a few new provisions that were added this year dealing with the CARES Act that have increased the cost of the proposal significantly.

### **Property Tax Transparency Getting Closer**



The House Taxation Committee spent two hours hearing [Senate Bill 13](#) this week and is expected to work and take action on the proposal next Tuesday. Its already passed the Senate floor, so only a few more steps in the legislative process before being presented to the Governor. Governor Kelly vetoed the bill last year.

What has been termed the “property tax transparency” bill, repeals the current property tax lid and replaces it with Truth in Taxation notice and public hearings prior to a local governing body exceeding their property tax revenue from the previous year. Proponents are clear that the bill will not necessarily lower property taxes, but rather increase transparency for taxpayers on when and for what purpose their taxes go up.

### **Legislators Consider Refundable Food Sales Tax Credit**

The House Taxation Committee heard [House Bill 2091](#) on Thursday, which provides a refundable income tax credit for certain purchases of food and discontinues the nonrefundable food sales tax credit. For single filers with income less than \$30,000, the credit would be \$60. For joint, married filers with income less than \$40,000, the credit would be \$240. This and similar proposals to lower the food sales tax in Kansas have been considered in recent years, but none have gained traction yet.

### **Economic Recovery Loan Program Gains Approval**

The Senate Financial Institutions Committee passed [Senate Bill 15](#) on Thursday, after making a few amendments proposed by the State Treasurer’s Office and Farm Credit. The bill would enact the \$60 million Kansas Economic Recovery Loan Deposit Program, which would provide low-interest loans to businesses affected by COVID-19. A corresponding bill, [House Bill 2069](#) was heard in the House Financial Institutions and Rural Development Committee this week and is expected to be worked next Monday.

### **Department of Labor Still Under Fire**

The Legislature continues to be frustrated and even angry with the Kansas Department of Labor’s (KDOL) efforts to control and correct unemployment insurance (UI) fraudulent claims as a result of COVID-19 shutdowns. This week, the Kansas Society of Human Resources Management (SHRM) introduced a bill in the House Commerce Committee that would modernize the UI system and adjust the employer contribution formula to replenish the UI trust fund.

KDOL did announce this week that they are deploying a new system to fight UI fraud that will require their servers to be down temporarily from January 30 to



February 2. According to the agency, this new identity verification software will be a major tool in combating identify theft.

### **Reorganization Moves Tourism to Commerce**

Governor Kelly announced her Executive Reorganization Order to return Kansas Tourism from the Kansas Department of Wildlife and Parks (KDWP) to the Kansas Department of Commerce (KDOC). The Tourism division has historically been housed at KDOC before it was moved to KDWP in 2011. The move is supported by the travel and tourism industry and seen as an opportunity to realign tourism with economic development strategy and provide additional resources toward recovery after drastic losses from the pandemic.

### **Health Committee Tackles Drug Pricing Program**

The Senate Health Committee this week held an informational briefing on the federal 340B drug pricing program, which allows drug manufacturers to offer medications to safety net hospitals and certain pharmacies at discounted prices. In recent years, drug manufacturers claim that the discounts they provide are not being passed down to Medicaid patients, rather being kept as profit by the hospitals. Drug companies have been asking for transparency on where their discounts are being diverted, while hospitals claim that the pharmacy benefit managers (PBMs) are the ones keeping the profits.

Last year, a bill was introduced – but died in committee – that would prohibit disparate treatment by PBMs of certain pharmacies and pharmaceutical services providers. A similar bill was introduced this week.

### **Kansas Tries Again to Legalize Sports Betting**

[Senate Bill 84](#) was introduced this week in the Senate Federal and State Affairs Committee, which would legalize statewide mobile sports wagering statewide. Under this proposal, the Kansas Lottery would regulate sports betting while partnering with gaming facility managers to offer mobile wagering. There would be a 7.5% tax on bets made at the four state-owned casinos and 10% on online wagering, including at a designated area at the Kansas Speedway.

A competing proposal was just introduced on Thursday in the House Federal and State Affairs Committee that would broaden sports betting to currently closed dog racing tracks in Kansas.



		buildings or improvements destroyed or substantially destroyed by natural disaster		Scheduled Hearing in Assessment and Taxation: Tuesday, 2/2, 9:30 AM, Rm 548-S	
<a href="#">SB 32</a>	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 Senate Education	<b>01/20/2021 - Senate</b>  Scheduled Hearing in Education: Wednesday, 1/27, 1:30 PM, Rm 144-S	
<a href="#">SB 34</a>	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	<b>01/21/2021 - Senate</b> Scheduled Hearing in Federal and State Affairs: Tuesday, 1/26, 10:30 AM, Rm 144-S	

<a href="#">SB 43</a>	Senate Education Committee	Creating the Kansas promise scholarship act to provide postsecondary educational scholarships for certain two-year associate degree programs, career and technical education certificates and other stand alone-programs	In Senate Education	<b>01/22/2021 - Senate</b>  Scheduled Hearing in Education: Monday, 1/25, 1:30 PM, Rm 144-S	
<a href="#">SB 44</a>	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	<b>01/22/2021 - Senate</b>  Withdrawn from Ways and Means; referred to Education	
<a href="#">SB 61</a>	Senate Education Committee	Amending the tax credit for low income students scholarship program act to	In Senate Education	<b>01/25/2021 - Senate</b>	

		expand student eligibility		Introduced; referred to Education	
<a href="#">SB 64</a>	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	In Senate Education	<b>01/26/2021 - Senate</b>  Scheduled Hearing in Education: Thursday, 1/28, 1:30 PM, Rm 144-S	
<a href="#">SB 96</a>	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	<b>01/29/2021 - Senate</b>  Referred to Federal and State Affairs	
<a href="#">HB 2003</a>	Jim Kelly, R-11th	Providing for county treasurers to establish a payment plan for the payment of delinquent or nondelinquent taxes	In House Taxation	<b>01/12/2021 - House</b>  Referred to Taxation	

<a href="#">HB 2023</a>	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	<b>01/27/2021 - House</b>  Scheduled Hearing in Taxation: Wednesday, 2/3, 3:30 PM, Rm 346-S	
<a href="#">HB 2045</a>	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 House Commerce, Labor and Economic Development	<b>01/20/2021 - House</b>  Scheduled Discussion & Action in Commerce, Labor and Economic Development: Thursday, 1/28, 1:30 PM, Rm 346-S	
<a href="#">HB 2048</a>	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,	On General Orders in House	<b>01/19/2021 - House</b>	

		welfare, property and economic security during this public health emergency		Committee Report recommending bill be passed as amended by Judiciary	
<a href="#">HB 2058</a>	House Federal and State Affairs Committee	Allowing reciprocity to recognize out-of-state licenses to carry a concealed handgun	In House Federal and State Affairs	<b>01/21/2021 - House</b> Scheduled Hearing in Federal and State Affairs: Wednesday, 1/27, 9:00 AM, Rm 346-S	
<a href="#">HB 2063</a>	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	In House Insurance and Pensions	<b>01/20/2021 - House</b> Scheduled Hearing in Insurance and Pensions: Monday, 1/25, 3:30 PM, Rm 218-N	
<a href="#">HB 2085</a>	House Education Committee	Creating the students' right to know act to provide information on postsecondary education options	In House Education	<b>01/22/2021 - House</b> Scheduled Hearing in Education: Wednesday, 1/27, 1:30 PM, Rm 218-N	
<a href="#">HB 2101</a>	House Appropriations Committee	Extending transfers from the expanded lottery act revenues fund to the university engineering initiative	In House Appropriations	<b>01/27/2021 - House</b>  Scheduled Hearing in Appropriations : Tuesday, 2/2, 9:00 AM, Rm 112-N	

<a href="#">HB 2119</a>	House K-12 Education Budget Committee	Creating the student empowerment act to provide an education savings account for students who are academically at-risk	In House K-12 Education Budget	<b>01/27/2021 - House</b>  Scheduled Hearing in K-12 Education Budget: Thursday, 2/4, 3:30 PM, Rm 546-S	
<a href="#">HB 2173</a>	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	<b>01/29/2021 - House</b>  Referred to Taxation	

