

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

**February 1-5, 2021**

The Kansas Legislature has successfully made it through the first week of February without a COVID-19 outbreak that many feared would shut down the legislative session by now. Priority items are still moving quickly and 113 more bills were introduced this week. While the Statehouse lacks its normal hustle and bustle and most everyone is wearing masks, business is starting to feel a little more like usual with each passing week. We even made it to our first legislation deadline next Monday, when all non-exempt bill introductions by an individual are due.

### **Governor Announces Medical Marijuana/Expansion Plan**

Governor Laura Kelly announced her proposal to legalize medical marijuana to pay for Medicaid expansion. Expanding Medicaid to 160,000 more Kansans has topped her agenda since she became Governor in 2018. Republican lawmakers have been able to stall the issue due to the fiscal impact on the state during tight budget years. While it would take a year or two for medical marijuana tax revenue to start flowing into the state coffers, the Governor is upping her game to get this done during her first (and maybe only) term.

### **Senate Sends Message to Administration on Vaccine Distribution**

The debate over who should get the COVID-19 vaccine first continued this week when the Senate passed a resolution asking Governor Kelly to change her policy that puts prisoners ahead of other populations in line. The Kansas Department of

### **Significant Dates and Events**

#### **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.

#### **Friday, February 12<sup>th</sup>**

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

#### **Friday, March 5<sup>th</sup> (Turnaround Day)**

Last day to consider non-exempt bills in house of origin



Health and Environment has been heavily scrutinized in recent weeks for their phased plan to distribute vaccinations to Kansans. In response, a “Find My Vaccine” website launched this week that shows people where they can get the vaccine in their community. That does not guarantee, however, that those sites will have enough vaccines until Kansas receives more shipments in the next few weeks.

### **UI Fraud Discussions Heighten**

The Legislature has had a spotlight on the Kansas Department of Labor for months as they work to address unemployment insurance (UI) fraud in Kansas. This week, lawmakers also began examining the Kansas Department of Revenue’s role in this crisis, as constituents are beginning to receive 1099s on claims for which they never applied. KDOL reported to the Legislature this week that their new ID Verify program has stopped over 500,000 fraudulent claims from entering the system just in its first few days of implementation.

### **Employer Groups Push for UI Reform**

On behalf of the business community, the Kansas Society of Human Resources Management (KS SHRM) are pushing for long-term solutions for the unemployment insurance system. The House Commerce, Labor and Economic Development Committee began hearing [House Bill 2196](#) late this week, which would completely modernize the UI system and adjust the employer contribution formula to replenish the UI trust fund. This comprehensive reform bill will continue to be heard on Tuesday and Wednesday of next week.

The House Appropriations Committee also heard [House Bill 2195](#) that would ensure employers are held harmless for fraudulent UI claims and that the State General Fund would be responsible for reimbursing the unemployment insurance trust fund that’s been depleted due to the pandemic and business shutdowns. Committee members were frustrated in the lack of a fiscal note from the Department of Revenue and that KDOL did not attend or submit comments on the bill. Most agree that a lot more information is needed before the committee can take action on HB 2195.

### **Senate Approves Energy Choice Legislation**

After days of hearings in the Senate Utilities Committee that began last week, the full Senate approved by a vote of 27-10 on Thursday a bill that would prohibit a municipality from adopting any ordinance that bans natural gas or restricts the customer’s use of a utility service. [Senate Bill 24](#) enacts the Energy Choice Act and was introduced after the city of Lawrence last year adopted a plan to have only clean energy citywide by 2035.

## **Decoupling Bill Sent to Floor**

The Senate Tax Committee took action on [Senate Bill 22](#) this week but not before making a few significant amendments. After the Kansas Department of Revenue last week released its \$300 million fiscal note on the bill, legislators knew they needed to find ways to lower the fiscal note if there is any chance for Governor Kelly to sign the bill this year. The committee removed retroactivity and the net operating loss carryforward provision that lowered the fiscal note to \$175 million. The Senate plans to consider the bill next week.

## **Bill Restricts Step Therapy Insurance Plans**

The House Health and Human Services Committee held a hearing on [House Bill 2157](#), which would require health insurance providers to provide a process for patients to request an exception from their step therapy protocol and outlines when a health plan would grant such an override. Proponents claimed that the bill is only a guard rail around step therapy and makes sure that patients receive the drugs they need and when they need them. Insurance providers testified during the hearing asking for more time to work on the legislation and prevent unintended consequences that could increase costs for all insured patients.

## **Legal Reform Bills Introduced**

Several legal reform bills were introduced last year after the Kansas Supreme Court's decision that ruled caps on non-economic damages were unconstitutional. Those bills aimed at improving the general legal climate in Kansas but stalled after last year's shortened session. They were reintroduced this week in the Senate Judiciary Committee.

[Senate Bill 150](#) would prohibit deceptive lawsuit advertising practices and the disclosure of protected health information to solicit individuals for legal services. [Senate Bill 151](#) requires disclosure of third-party financing when hedge funds are investing in lawsuits. [Senate Bill 152](#) caps attorney fees on contingency fee arrangements.

## **State Budget Recap**

Budget committees got busier this week. Both House and Senate committees heard from more agencies during their budget subcommittees, including budgets for state hospitals and the Highway Patrol.



Osawatomie State Hospital has been facing issues for a while now on recertification of its facilities by federal regulators. There's been discussions about this on a regular basis in the Legislature, as well as whether to remodel or build new facilities at OSH. At Larned State Hospital, the discussion has been around staffing and the use of various buildings on the grounds. There is also concern from Legislators about wait times for inmates to be processed for mental competency evaluations for trials.

The Senate Ways and Means committee met as a whole to hear about programs for Kansas seniors. The programs mostly have to do with health care and keeping seniors in homes as long as possible.

The House Appropriations committee held hearings on a bill to fund a program to get more college students into engineering programs at KU, KSU, and WSU. There's a shortage of engineers and this program has been successful enough that there's discussion on how to get more funding to potentially expanding to other Kansas colleges.

More budget hearings next week will focus on state agencies as Legislators push to get as much work done as soon as possible on the budget.

### Looking Ahead

The Senate Federal and State Affairs Committee is gearing up for two days of hearings on [Senate Bill 84](#) which would **legalize 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.

The Kansas Department of Commerce is proposing a bill that extends the sunset of the **Sales Tax as Revenue (STAR) bonds** incentive program five years to 2026. [Senate Bill 124](#) includes several other provisions, including making rural development projects eligible, tightening investment and sales requirements, and giving more oversight of the program to the Secretary of Commerce.

The Senate Commerce Committee is holding a hearing on Governor Kelly's [Executive Reorganization Order No. 48](#) next Thursday that would return the **Kansas Tourism Division** from the Department of Wildlife and Parks to the Department of Commerce. The move is strongly supported by the travel and tourism industry.



		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	On General Orders in Senate	<b>02/03/2021 - Senate</b>  Committee Report recommending bill be passed as amended by Education	
<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	On General Orders in Senate	<b>02/04/2021 - Senate</b>	

		students scholarship program act to expand student eligibility		Committee Report recommending bill be passed, by 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	On Consent Calendar in Senate (3rd day)	<b>02/02/2021 - Senate</b>  Committee Report recommending bill be passed and placed on Consent Calendar, by Education	
<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	On General Orders in House	<b>02/01/2021 - House</b>  Committee Report recommending bill be passed as amended by Commerce, Labor and Economic Development

<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, welfare, property and economic security during this public health emergency	On General Orders in House	<b>01/19/2021 - House</b>  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	On General Orders in House	<b>02/03/2021 - House</b> Committee Report recommending bill be passed as amended by Insurance and Pensions	
<a href="#">HB 2085</a>	House Education	Creating the students' right	In House Education	<b>01/22/2021 - House</b>	

	Committee	to know act to provide information on postsecondary education options		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>02/03/2021 - House</b>  Scheduled Hearing in K-12 Education Budget: Monday, 2/8, 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	In House Taxation	<b>02/03/2021 - House</b>	



	technology of state agency contracts for certain information technology projects		Scheduled Hearing in Appropriations : Thursday, 2/11, 9:00 AM, Rm 112-N	
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