

Weekly Legislative Report -----Kansas Legislature 2021

February 8-12, 2021

It was another fast and furious week in Topeka, as the Kansas Legislature raced to meet Friday's deadline, when all non-exempt bills must be introduced. Committees that are exempt from legislative deadlines are: House and Senate Federal and State Affairs, Senate Ways and Means, Senate Assessment and Taxation, and House committees on Calendar and Printing, Appropriations, and Taxation. Friday's deadline was the last one before Turnaround on March 5th.

Legislature Considers Comprehensive UI Reform

In light of the thousands of fraudulent unemployment insurance (UI) claims that have wreaked havoc within the Kansas Department of Labor since last March, a coalition of business groups have introduced a bill that claims to modernize the UI system and replenish the UI trust fund that's essentially been drained.

The House Commerce Committee held two days of hearings this week on [House Bill 2196](#), when committee members continued to press the administration on when this massive problem will be fixed. KDOL staff testified during the hearing that their new software system that was put into place last week has already stopped 1.3 million fraud attempts and is sending out batches of 1099 corrections next week. The department testified neutral during the hearing, both supporting and opposing different provisions in the bill. The committee plans to work the bill and potentially take action next Thursday.

Significant Dates and Events

Monday, February 8th

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 10th

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 12th

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 5th (Turnaround Day)

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

A companion bill, [Senate Bill 177](#), will also be heard over two days next week in the Senate Commerce Committee.

Groups Battle Over Sports Wagering

After two years of trying to legalize sports betting in Kansas, stakeholder groups are still trying to find agreement in the details.

[Senate Bill 84](#) was heard over two days this week in the Senate Federal and State Affairs Committee. The bill backed by the four state-owned casinos would authorize the Kansas Lottery with oversight and raise \$5.3 million annually. Under SB 84, Kansas would receive 7.5% of bets placed at the casinos and 10% of bets made online. It also includes a provision that adds an extra \$20,000 toward the Problem Gaming and Addictions Grant Fund.

During the hearing, an association representing convenience stores opposed the bill, arguing that lottery retailers should also be allowed to participate in sports wagering. The League of Kansas Municipalities requested an amendment that 3% of the revenue be shared with local governments. The committee is scheduled to take action on SB 84 on February 24th.

A competing bill, [House Bill 2199](#), does include retailers as well as horse and greyhound racetracks in who can take advantage of legalized sports betting. HB 2199 is scheduled for hearings on Wednesday and Thursday of next week.

STAR Bonds Extension Requested

The Senate Commerce Committee on Tuesday heard [Senate Bill 124](#), a bill that extends the Sales Tax as Revenue (STAR) bonds program until 2026. The proposal makes other changes, including making rural development projects eligible, increasing the capital investment threshold from \$50 million to \$75 million, and giving greater oversight to the Secretary of Commerce.

On Thursday, the committee deliberated on several amendments before forwarding a clean bill to the full Senate. A motion to strike the enactment clause – which essentially kills the STAR Bonds program – failed by a vote of 4-5. We expect to see several more amendments proposed when the bill is considered by the full body.

Mega Telehealth Bill Shut Down by Chair

On Tuesday, the House Health and Human Services Committee held a hearing on [House Bill 2206](#), which updates certain definitions, referral to specialty services and coordination of care provisions in the Kansas telemedicine act. The



Governor's COVID-19 emergency declaration includes several executive orders allowing for expanded telehealth services.

A large consensus working group made up of a variety of healthcare providers, hospitals and behavioral health centers, supported the bill during the hearing. However, these groups all had two consistent requests – to ensure payment parity between telehealth and in-person visits and clarification on who exactly is allowed to provide telehealth services. Several other healthcare provider associations and other groups testified as neutral with many of the same concerns and a few more.

Chairwoman Brenda Landwehr (R-Wichita) announced after the hearing that she does not intend to work HB 2206 until all interested parties continue to work toward an agreement that can be considered by the Legislature later this year or next.

Legislature Approves ERO to Move Tourism to KDOC

The Senate Commerce Committee approved favorably Governor Laura Kelly's [Executive Reorganization Order No. 48](#) this week, which will return the Kansas Tourism Division from the Department of Wildlife and Parks to the Department of Commerce. The move was strongly supported by the travel and tourism industry and both agencies during the hearing.

Struggling State Fair Asks for Budget Enhancement

The Senate Agriculture and House Agriculture and Natural Resources Budget Committees held hearings on the Kansas State Fair's fiscal year 2022 budget. The State Fair requested a \$425,000 enhancement to hire 600 seasonal fair time workers. They reported that the cancellation of last year's event was detrimental, as it raises 90% of its annual revenue. The Kansas State Fair is currently operating out of their reserves, so the 2021 event must happen for them to remain financially above water. Both committee chairs will report out to the larger Appropriations and Ways and Means Committees next week.

Major Tax Bills Move This Week

The Senate debated and amended [Senate Bill 22](#) into the evening on Tuesday. As it left the Senate Tax Committee last week, the fiscal note was \$175 million. The way it left the full Senate this week, the fiscal note was estimated to be around \$450 million or more.

SB 22 includes several decoupling provisions from the federal Tax Cuts and Jobs Act passed in 2017. It also allows Kansans who don't itemize on their federal income tax returns to itemize on the state level. Measures added on the floor

include protecting against income wrongly assessed from fraudulent unemployment insurance claims and making non-state pension benefits tax exempt.

Earlier on Tuesday, Governor Kelly announced her proposal to increase the standard deduction for 94% of Kansans, which will cost \$100 million. She plans to use tax revenue raised from internet sales to pay for it. There did not seem to be much appetite in the Senate for the Governor's plan.

Also this week, the House Taxation Committee passed [Senate Bill 13](#), but not before making significant changes to that legislation as well. The bill is one of several that the Governor vetoed last year and repeals the current local property tax lid in exchange for public notice and hearing requirements when a local governing body wants to raise their property tax revenue. The House committee approved several amendments that include changing the effective date, consolidation of notice mailings, exempting smaller jurisdictions with budgets under \$100,000, and other changes requested by cities and counties.

The Senate passed SB 13 by a vote of 34-1 earlier this year and now awaits consideration by the full House.

State Budget Recap

With a number of legislative deadlines for bill introductions this week, legislators are narrowing their focus on a number of issues like the budget. More agencies have been through the budget subcommittee process where they've asked for budget adjustments and then had to explain why before a budget subcommittee.

It's usually the larger agencies that have numerous changes to their budgets from year to year. Smaller agencies are generally funded from the fees they get from the professions they regulate. Their budgets are fairly stable from year to year.

Larger agencies such as the Department of Corrections or the Department of Children and Families have numerous facilities or programs they run, and those budgets could change on a regular basis. The number of people using those programs will change from year to year, any funding they might get from the federal government could change, and the availability of state funds will also change from year to year. Then a year like 2020 adds unexpected changes. Legislators want to set budgets for two year cycles, but often variables make that difficult.

House Appropriations almost completed their initial round of discussions for the budget of the Judicial Branch. The courts have been impacted by Covid, with courthouses being closed or restricted there have fewer hearings or trials, and



therefore fewer court fees collected. Salaries for all judicial employees were reviewed and the budget subcommittee recommended raises for everyone from clerks and court service officers to judges. While there's general agreement that positions like clerks and court service officers are in dire need of a raise, there's stronger disagreement about the judges needing one. Part of the judges discussion is in rural and frontier areas of Kansas it's getting harder to recruit qualified people to be judges. Equal access to the judicial system is not just an issue for the criminal courts but also for those needing court action on contracts, adoptions, and divorces. The budget for the Judicial Branch will likely be strung out through the entire session and judicial salaries will continue to be a big factor.

Senate budget action made quick work of a number of budgets including the budget for the Legislature, and the Board of Nursing (one of those fee funded agencies). They also held a hearing on a House bill concerning well plugging, and funding that well plugging.

Budget committees want to get their first round of work done by the end of the month.

		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	
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 Education	02/11/2021 - House Referred to Education	
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 43	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	01/22/2021 - Senate Scheduled Hearing in Education: Monday, 1/25, 1:30 PM, 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	Passed in Senate	02/12/2021 - House	

		student eligibility		Received and introduced	
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	In House Education	02/11/2021 - House Referred to Education	
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	In Senate Education	02/11/2021 - Senate	

		female		Referred to Education	
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	On General Orders in House	02/01/2021 - House Committee Report recommending bill be passed as amended by Commerce, Labor and Economic Development	

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	On General Orders in House	02/10/2021 - House Committee Report recommending bill be passed as amended, by Federal and State Affairs	
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	In Senate Financial Institutions and Insurance	02/12/2021 - Senate Referred to Financial Institutions and Insurance	
HB 2085	House Education Committee	Creating the students' right to know act to	On General Orders in House	02/11/2021 - House	

		provide information on postsecondary education options		Committee Report recommending bill be passed, by Education	
HB 2101	House Appropriations Committee	Extending transfers from the expanded lottery act revenues fund to the university engineering initiative	In House Appropriations	01/27/2021 - House Scheduled Hearing in Appropriations : Tuesday, 2/2, 9:00 AM, Rm 112-N	
HB 2119	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	02/03/2021 - House Scheduled Hearing in K-12 Education Budget: Monday, 2/8, 3:30 PM, Rm 546-S	
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	In House Taxation	02/03/2021 - House	

	Appropriations Committee	review by the joint committee on information technology of state agency contracts for certain information technology projects	Appropriations	Scheduled Informational Briefing in Joint Committee on Information Technology: Monday, 2/15, 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 House Judiciary	02/10/2021 - House Scheduled Hearing in Judiciary: Thursday, 2/18, 3:30 PM, Rm 582-N	
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	02/09/2021 - House Referred to Taxation	
HB 2285	Randy Garber, R-62nd	Creating the campus free speech act to require each public postsecondary educational institution to adopt a policy	In House Judiciary	02/10/2021 - House	

		of free expression		Referred to Judiciary	
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Bill Number	Bill Sponsor	Bill Subject	Current Status	Last Action	Notes
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	