

Weekly Legislative Report -----Kansas Legislature 2021

February 22 – 26, 2021

This was the last week for non-exempt committees to meet and complete their work for the first half of the legislative session. From legislation that would legalize medical marijuana to increasing the legal age for tobacco to 21 years, statehouse reporters were not lacking for headlines this week. The Kansas Attorney General also introduced a constitutional amendment that would completely overhaul the way Kansas agencies promulgate rules and regulations – which some media translated into an announcement for a gubernatorial run in 2022.

Significant Dates and Events

Friday, March 5th (Turnaround Day)

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

Legislators will be on the floor all next week working toward Turnaround on Friday. All non-exempt bills that haven't passed their house of origin by March 6th will be considered dead for the year. Lawmakers will then have a four-day weekend and return to start the second half of the legislative session on Wednesday, March 10th.

Emergency Management Reform

Earlier this year, the Legislature passed a bill that extended the current emergency declaration for COVID-19 through March 31st. This was intended to give lawmakers time to consider long-term, comprehensive reform to the Kansas Emergency Management Act passed in 1975.

The House and Senate Judiciary Committees spent this week considering their respective bills, [House Bill 2416](#) and [Senate Bill 273](#), that modify the procedure for declaring and extending a state of disaster emergency and limit the powers granted to the governor. The proposals give more legislative oversight on business shutdowns and school closings and define the duties and functions of the secretary of health and environment, board of education, and city and county governments. The Judiciary panels are continuing their work today.

Tax Relief for Shutdown Businesses

Kansas attorneys Ryan Kriegshauser and Josh Ney proposed a bill to the Senate Tax Committee on Tuesday that would provide income and property tax relief to businesses shut down or restricted by the government during the pandemic. According to Ney, “the intent is to quickly and efficiently resolve potential Kansas Emergency Management Act claims, using a combination of federal COVID funds and state income and property tax credits.”

The bill is supported by the Kansas Restaurant and Hospitality Association, Kansas Chamber, and House and Senate leadership. A bill number, hearing date and fiscal note are expected soon.

Earlier this month, a similar bill was heard in the House Taxation Committee. [House Bill 2142](#) is narrower in scope and proposed to provide reimbursement of property taxes from local governments for business shutdowns or capacity limitations caused by the county.

Unemployment Insurance

The House Commerce Committee is meeting today to take final action on [House Bill 2196](#) that modernizes the state’s unemployment insurance system. This week, the Kansas Department of Labor estimated that they paid out roughly \$290 million in fraudulent claims. However, a legislative post audit (LPA) found it be closer to be \$600 million. Both the agency and LPA defend their estimates; and Governor Kelly announced that she will contract for a third, private audit to settle the difference. HB 2169 is expected to be one of the first bills taken up by the House next week.

Sports Betting

The Senate Federal and State Affairs Committee passed out [Senate Bill 84](#), which authorizes the state’s four state-owned casinos to contract with the Kansas Lottery to manage in-person and mobile sports wagering. The bill also allows betting at the Kansas Speedway. The measure could be considered by the full Senate as early as next week.

The committee decreased the percentage of income that would go toward the state general fund to 10% for online bets and 7.5% for bets placed in person. The remaining 2% as originally proposed in the bill will be allocated toward addressing problem gambling. It’s now estimated that the state will generate between \$2.1 million and \$3.5 million under this new language.

The panel also amended the bill to prohibit sports wagering at greyhound racetracks and on high school sporting events.

Online Sales Tax

The Senate Assessment and Taxation Committee forwarded a bill to the full chamber that would require online retailers and third party marketplace facilitators with over \$100,000 in total sales in Kansas to collect and remit state sales tax. An important amendment was added to [Senate Bill 50](#) before passage that ensures transient guest taxes are also collected from online travel companies, such as Airbnb, to level the playing field with brick and mortar hotels and other lodging.

The House Taxation Committee heard a similar bill earlier this month, [House Bill 2173](#). Both bills are estimated to generate \$42.4 million in additional state revenue.

Kansas Tax Incentive Programs

The Senate Assessment and Taxation Committee began receiving a presentation on the state's tax incentive programs from a senior economist with the Kansas Legislative Research Department (KLRD) on Tuesday.

A growing number of conservative legislators have become critical of several of the programs and feel that the state is not seeing the return on investment as originally expected when the programs were established. It's expected that the committee will take up this conversation again after Turnaround.

State Budget Recap

This week marks the end of budget committee work for the first half of the 2021 legislative session. All subcommittees have issued their reports on the various state agency budgets, and the House Appropriations and Senate Ways and Means Committees have made their first round of budget decisions.

The Senate took a slightly different tact this year by having some of the policy committees review agency budgets. For example, the Senate Utilities Committee also held meetings on budgets for agencies like the Kansas Corporation Commission (KCC). Their budget recommendations were then reviewed by the Ways and Means subcommittee that is usually charged with reviewing the KCC's budget. It was an effort to get more senators involved and familiar with the budget process. The House uses its regular budget subcommittees to do this by having members from outside the Appropriations Committee on the budget subcommittees.

Part of the work in Ways and Means this week was discussion on reimbursement rates for nursing homes and home-based health services. These two issues have been ongoing budget topics for a few years, and the pandemic has amped up that discussion significantly. Home based services for seniors have centered on



a higher compensation rate to retain those workers and attract more people into that field. The rates will be a point of negotiation between the House and Senate during final budget deliberations.

The House Appropriations Committee held a meeting on a reading program called the Dolly Parton Imagination Library. Ms. Dolly Parton is the actual sponsor of this initiative. Her foundation partners with local organizations to provide free books to children up to age five. Kids get a different age-appropriate book every month. The program promotes literacy, family time together, and education in general. Kansas could partner with the program and provide books to children across the state. The committee reacted very positively to the presentation and could work on the issue during the second half of the session.

No budget meetings are expected next week as floor action in both chambers will consume most of the Legislature's time.

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| | | buildings or improvements destroyed or substantially destroyed by natural disaster | | Committee Report recommending bill be passed, by Assessment and 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 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 | |

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| Sub for 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 | On General Orders in Senate | 02/23/2021 - Senate Committee Report recommending substitute bill be passed, by Education | |
| 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 | Amending the tax credit for | In House K-12 Education | 02/22/2021 - House | |

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| | Committee | low income students scholarship program act to expand student eligibility | Budget | 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 | 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 | |

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| 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 Senate Education | 02/17/2021 - Senate Scheduled Hearing in Education: Tuesday, 2/23, 1:30 PM, Rm 144-S | |
| SB 267 | Senate Ways and Means Committee | Appropriations for FY 2022, FY 2023 and FY 2024 for various state agencies | In Senate Ways and Means | 02/23/2021 - Senate Referred to Ways and Means | |

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| SB 273 | Senate Federal and State Affairs Committee | Enacting the governmental response to certain emergencies by amending the Kansas emergency management act, providing procedures for declaration and extension of state of disaster emergencies, limiting powers granted to the governor during a state of disaster emergency, defining public health disasters and establishing special provisions therefor, creating the joint committee on emergency management and prescribing powers, duties and functions of the secretary of health and environment, city and county government and the board of education | In Senate Federal and State Affairs | 02/23/2021 - Senate | |
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| | | of each school district to control the spread of disease and establishing judicial review thereof | | Scheduled Hearing in Judiciary: Wednesday, 2/24; Thursday, 2/25, 10:30 AM, Rm 346-S | |
| 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 | On General Orders in House | 02/01/2021 - House | |

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| | | securities, tax credit limitations and amounts, investor requirements and extending the date that credits may be allowed | | 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 | |

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| 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 provide information on postsecondary education options | On General Orders in House | 02/11/2021 - House 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 | Passed in House | 02/25/2021 - House Emergencied to Final Action: Passed as amended; Yeas 112, Nays 12 | |
| 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 | 02/23/2021 - House Withdrawn from Calendar; rereferred to K-12 Education Budget | |

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| 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 | |
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| 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 | On General Orders in House | 02/25/2021 - House Committee Report recommending bill be passed, by Judiciary | |
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| Bill Number | Bill Sponsor | Bill Subject | Current Status | Last Action | Notes |
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| 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 2285 | Randy Garber, R-62nd | Creating the campus free speech act to require each public postsecondary educational institution to adopt a policy of free expression | In House Judiciary | 02/10/2021 - House Referred to Judiciary | |
| 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 | |

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| 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 | 02/18/2021 - House Referred to Appropriations | |
| HB 2397 | House Appropriations Committee | Appropriations for FY 2022, FY 2023 and FY 2024 for various state agencies | In House Appropriations | 02/18/2021 - House Referred to Appropriations | |
| 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 | |