

## **Weekly Legislative Report -----Kansas Legislature 2020**

### **Kansas Legislative Report, February 24-27, 2020**

*The Kansas Legislature officially adjourned on Thursday, after completing the first half of the 2020 Legislative Session. While the Senate worked through 1:00 p.m., the House actually finished their business on Wednesday and headed home early for a long six-day weekend.*

*House leadership “blessed” 37 bills before adjourning, ones that lawmakers didn’t have time to consider but want kept alive. All other non-exempt bills that did not pass out of their House of Origin this week are now considered dead for the year. Here is a list of committees that are exempt from the Turnaround deadline: House and Senate Tax, House and Senate Federal and State Affairs, House Appropriations, and Senate Ways and Means.*

*The Legislature is now enjoying a short break and will return to work on Wednesday, March 4. With Medicaid expansion and the constitutional amendment on abortion still at a deadlock, some are predicting another long and contentious spring.*

*Below is a rundown of some of what happened during Turnaround Week.*

### **Sports Wagering**

The Senate spent hours debating [Senate Bill 283](#), which adds Kansas to the rapidly growing list of states that have **legalized sports wagering**. It’s a controversial issue that’s been in negotiations for several years between the four state-owned casinos and the Kansas Lottery. The state tax rate, which entity will have oversight, and logistics for online/mobile app betting, are all issues still at play.

While the Senate passed a bill supported by the casinos, a rival bill sits in the House that gives authority to the Kansas Lottery. Governor Kelly has stated that she plans to veto a sports wagering bill that does not include some sort of iLottery component, so it will be interesting to see what is negotiated in the final legislation sent to the Governor later this session.

### **Significant Dates and Events**

#### **Thursday, February 27<sup>th</sup>**

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

#### **Wednesday, March 25<sup>th</sup>**

Last day to consider non-exempt bills not in originating chamber.

#### **Friday, April 3<sup>rd</sup>**

First Adjournment

## Property Taxes

The Senate passed seven property tax bills this week, which were all part of a larger reform package prepared during the interim by Senate Tax Chairwoman Caryn Tyson and several stakeholder organizations. [Senate Bill 294](#), modeled after Utah's "**Truth in Taxation**" law, has been the heaviest lift so far and passed the Senate unanimously after several amendments were made in Committee that helped ease concerns for local taxing jurisdictions. The biggest concession? Trading SB 294 for removal of the property tax lid that's been in place since 2015. SB 294 does not prevent any property tax increases, rather it establishes transparency to the taxpayer when property tax revenues increase over the previous year.

The other six property tax bills that passed the Senate this week make some less aggressive changes dealing with **county appraisers and the appeals process at the State Board of Tax Appeals**. Those bills are Senate Bills [262](#), [264](#), [265](#), [266](#), [272](#), and [295](#). All but two votes were unanimous.

The Senate Tax Committee also passed out [Senate Bill 309](#) this week and it awaits consideration by the full Senate after Turnaround. The bill places the **burden of proof** on the county appraiser in certain valuation and classification appeal hearings before the district court.

## Insurance

Four insurance-related bills passed either the House or Senate this week, three of them with unanimous votes:

- [House Bill 2479](#) codifies the **NAIC corporate governance** model regulation into statute.
- [House Bill 2480](#) updates the definition of **long-term care insurance** contained in the long-term care insurance act.
- [Senate Bill 402](#) updates **producer licensing statutes** pertaining to appointment, fees, licensing, renewal dates, continuing education, suspension, revocation and denial of licensure and reinstatement.
- [Senate Bill 292](#) grants the commissioner of insurance flexibility in **assessing certain excess lines coverage penalties**.

The House Insurance Committee was scheduled to act on [House Bill 2459](#) on Monday but rather made the recommendation to request an interim study or task force to look at the issue further. The bill creates the **Mental Health Parity Act**, which would require health insurers to expand coverage of treatment of mental illness and substance use disorder. Even after a two-day hearing earlier this month, many committee members still



had unanswered questions and didn't feel ready to move forward with the legislation this year.

## Utilities

The House and Senate passed several bills this week that cover a range of utility issues:

- [Senate Bill 380](#) passed 31-8 and **prohibits municipalities from imposing additional requirements for the deployment of micro wireless facilities** in the public right-of-way and to allow a municipality to require compliance with certain standards.
- [Senate Bill 126](#) passed unanimously and **exempts the following utilities from Kansas income tax** for tax years ending on or after December 31, 2021: every electric and natural gas public utility that is subject to rate regulation by the KCC; and any utility that is a cooperative or owned by one or more cooperatives.
- [Senate Bill 339](#) passed unanimously and authorizes the Kansas Corporation Commission (KCC) to **regulate electric public utility rates** to allow contract and discounted rates for certain facilities.
- [House Bill 2585](#) passed 123-2 and exempts from the definition of "public utility" the marketing and sale of electricity purchased through a retail electric supplier in such supplier's certified service territory for the sole purpose of the provision of **electric vehicle charging services** to an end user.
- [House Bill 2618](#) passed 120-5 and establishes the **State Broadband Deployment Grant Program** to award funding to applicants seeking to expand access to broadband internet service (broadband) in the state. Funding for the Grant Program is included in the FORWARD transportation plan proposals.

## Commerce

The House unanimously passed [House Bill 2702](#) this week, which decouples participation in the Kansas Industrial Training (KIT) program or the Kansas Industrial Retraining (KIR) program as a method to qualify for the **High-Performance Incentive Program (HPIP) tax credit**. The bill also eliminates the HPIP certification and recertification by a business to dedicate two percent of payroll for training purposes.

With a bit more opposition, the House also passed [House Bill 2507](#) by a vote of 97-27. The bill exempts businesses from certain liability claims arising from a secondary student engaged in a **"work-based learning program."** Provided the school district of the secondary student has purchased the applicable insurance coverage, a business would not



be subject to civil liabilities under certain circumstances. Lack of workforce continues to be the number one challenge for businesses all across the state, but especially in rural areas. Lawmakers hope that resolving liability concerns for employers will encourage more participation in these employee recruitment programs.

## **Agriculture**

The House and Senate passed six bills this week dealing with agricultural issues:

- [Senate Bill 152](#) authorizes the Kansas Department of Health and Environment (KDHE) to collect **underground injection control program fees** and redirecting water well license program fees. The bill sets a maximum of \$100 for application fees and \$200 for license fees.
- [Senate Bill 153](#) allows the KDHE to set in rules and regulations a **minimum reportable quantity of a pollutant release** and other reporting procedures. It excludes from the definition of “pollutant” any animal or crop waste or manure on an agricultural operation or in an agricultural facility. It also excludes from the definition of “release” releases that occur as part of normal agricultural activities.
- [Senate Bill 345](#) requires the Kansas Department of Agriculture (KDA), in coordination with state or local law enforcement, to develop a plan for the effective **disposal of industrial hemp** that tests high in THC, in response to federal guidelines.

A few updates...

[House Bill 2460](#) provides an **income tax credit to short line railroads** that make qualified track maintenance expenditures to allow for larger and faster cars used by Class I railroads. Agribusiness interests proposed an amendment during the hearing to extend the credit to owners or lessees of rail siding along a Class II or Class III railroad. The House Tax Committee Chairman has showed an interest in possibly adjusting the bill as it relates to a similar federal tax credit currently available to short lines. Some lawmakers have also suggested looking at the rail-designated money in the new FORWARD transportation plan as a funding source for such expenditures. The exempt bill is still alive, and interested parties are continuing to work with lawmakers and educate them on the importance of the tax credit in ensuring healthy rail service for moving Kansas agricultural products to market.

[House Bill 2715](#) was introduced to require in statute that the **KDHE’s Bureau of Air Quality** obtain legislative approval before creating new or increasing air permit fees. A sister bill was introduced this week in the Senate, but no bill number has been assigned yet.



These bills were introduced in response to the KDHE Division of Environment's proposed increases on emission fees on various industries across the state by approximately \$1.7 million in 2021, and every year thereafter. Because the Bureau is funded by air emission fees on industry; and because industry investments in clean air have lowered emissions, so has the Bureau's funding.

The House Agriculture Budget Committee approved a \$300,000 State General Fund (SGF) appropriation toward KDHE's Bureau of Air Quality. During the subcommittee's hearing, the Director of Environment reported that is the amount needed to cover their operating shortage for one year. In the meantime, the KDHE is to work with industry to adopt a fee schedule that is both reasonable and meets the needs of the Bureau. The SGF recommendation still awaits approval by the full House Appropriations and Senate Ways and Means Committees.



		information technology contracts by the joint committee on information technology	Means	Scheduled Hearing in Ways and Means: Wednesday, 3/20, 10:30 AM, Rm 548-S	
<a href="#">SB 72</a>	Senate Ways and Means Committee	Supplemental appropriations for FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 and FY 2024 for various state agencies	In Senate Ways and Means	<b>03/08/2019 - Senate</b> Scheduled Hearing in Ways and Means: Tuesday, 3/12, 10:30 AM, Rm 548-S	
<a href="#">SB 74</a>	Senate Ways and Means Committee	Providing a post-retirement benefit increase (COLA) for certain KPERS retirants	In Senate Ways and Means	<b>02/01/2019 - Senate</b>  Referred to Ways and Means	
<a href="#">SB 354</a>	Senate Education Committee	Amending the private and out-of-state postsecondary educational institution act clarify the state board of regents' authority and provide additional student protections and institutional accountability	Passed in Senate	<b>02/25/2020 - Senate</b>  Final Action: Passed as amended; Yeas 37, Nays 3	
<a href="#">SB 385</a>	Senate Ways and Means	Supplemental appropriations	In Senate Ways and	<b>02/26/2020 - Senate</b>	

	Committee	for FY 2020 and FY 2021 for various state agencies	Means	Scheduled Hearing in Ways and Means: Wednesday, 3/4, 10:30 AM, Rm 548-S	
<a href="#">SB 386</a>	Senate Ways and Means Committee	Appropriations for FY 2020, FY 2021 and FY 2022 for various state agencies	In Senate Ways and Means	<b>02/26/2020 - Senate</b> Scheduled Hearing in Ways and Means: Wednesday, 3/4, 10:30 AM, Rm 548-S	
<a href="#">SB 466</a>	Senate Assessment and Taxation Committee	Discontinuing state property tax levies for the Kansas educational building fund and the state institutions building fund and providing for financing from the state general fund	In Senate Assessment and Taxation	<b>02/21/2020 - Senate</b>  Referred to Assessment and Taxation	
<a href="#">HB 2005</a>	Elizabeth Bishop, D-88th	Allowing an individual to itemize deductions in Kansas despite not itemizing on their federal return	On General Orders in House	<b>02/19/2020 - House</b> Committee Report recommending bill be passed as amended by Taxation	
<a href="#">HB 2011</a>	Nick Hoheisel, R-97th	Sales tax exemption for	In House Taxation	<b>02/07/2019 - House</b>	

		required textbooks		Scheduled Hearing in Taxation: Tuesday, 2/12, 3:30 PM, Rm 112-N	
<a href="#">HB 2121</a>	House Appropriations Committee	Supplemental appropriations for FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 and FY 2024 for various state agencies	In House Appropriations	<b>03/13/2019 - House</b> Scheduled Discussion and Possible Action in Appropriations : Tuesday, 3/19, 9:00 AM, Rm 112-N	
<a href="#">HB 2153</a>	House Federal and State Affairs Committee	Repealing statutes pertaining to student religious associations	In House Federal and State Affairs	<b>02/07/2019 - House</b> Referred to Federal and State Affairs	
<a href="#">HB 2264</a>	Brandon Whipple, D-96th	Providing a tax credit to pell grant recipients at a postsecondary educational institution	In House Taxation	<b>02/13/2019 - House</b>  Referred to Taxation	
<a href="#">HB 2297</a>	Barbara Ballard, D-44th	Permanently exempting postsecondary educational institutions from the public buildings law under the personal and family protection act	In House Federal and State Affairs	<b>02/14/2019 - House</b>  Referred to Federal and State Affairs	

<a href="#">HB 2301</a>	Brandon Whipple, D-96th	Establishing the tax credit for low income postsecondary students scholarship program act and providing for the elimination of the tax credit for low income students scholarship program act	In House Taxation	<b>02/14/2019 - House</b>  Referred to Taxation	
<a href="#">HB 2594</a>	House Appropriations Committee	Supplemental appropriations for FY 2020 and FY 2021 for various state agencies	In House Appropriations	<b>02/12/2020 - House</b> Scheduled Hearing in Appropriations : Wednesday, 2/19, 9:00 AM, Rm 112-N	
<a href="#">HB 2597</a>	House Appropriations Committee	Appropriations for FY 2020, FY 2021 and FY 2022 for various state agencies	In House Appropriations	<b>02/12/2020 - House</b> Scheduled Hearing in Appropriations : Wednesday, 2/19, 9:00 AM, Rm 112-N	

<a href="#">HB 2715</a>	House Appropriations Committee	Prohibiting the secretary of health and environment from amending or enacting regulations that would create new or increase air quality control fees	In House Appropriations	<b>02/19/2020 - House</b>  Referred to Appropriations	
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