

Kansas Legislative Report, March 27-31, 2023

It was a short but full week in the Kansas Legislature. Wednesday was the last day for all non-exempt bills to be considered in either chamber, so the House and Senate spent Monday through Wednesday debating and passing nearly 130 bills. The House adjourned early afternoon on Wednesday, while the Senate worked into the evening and adjourned at 8:30 p.m.

This week's work clears the path for conference committees to meet next week. This is where negotiators from both the House and Senate iron out the differences in their bills and each body may not amend a conference committee report but can only give it an up or down vote. First adjournment is scheduled for next Thursday, April 6, with Veto Session beginning on April 26.

The last "omnibus" budget bill typically closes out the legislative session after the Consensus Revenue Estimating Group meets during the April break and releases the latest revenue and budget projections for the fiscal year.

House Tax Bill

The House passed their tax plan on Wednesday by a vote of 94-30. <u>House Substitute for Senate Bill 169</u> is estimated to cost the state \$1.4 billion over the next three years and makes several changes to income, property, and sales tax policy in Kansas. The bill incudes a flat income tax and full repeal of the state portion of sales tax on food.

One of the larger components of the bill moves the state from the current three-bracket income tax system to a single tax rate of 5.25%, exempting the first \$6,150 for individuals and \$12,300 for married couples. The Senate's \$1.3 billion tax plan, however, sets the flat tax rate at 4.75% and exempts the first \$5,225 of income for individuals and \$10,450 for married couples filing jointly. This will be a key provision worked out in the House/Senate Tax Conference Committee next week.

Presidential Primary

A bill introduced late in the session, allowing for state-funded presidential preference primaries, passed the Senate on Wednesday by a vote of 28-12. Senate Substitute for House Bill 2053 would amend election law to provide for a presidential primary on March 19, 2024, and establish registration and voting procedures. Kansas GOP leaders have been advocating for the proposal, hoping to increase low voter participation. It's

estimated to cost the state \$5 million, and there is an opt-out provision in the bill for either party.

Foreign Ownership of Land

The Senate was set to debate <u>Senate Substitute for House Bill 2069</u> Wednesday evening but passed over it expecting an amendment from the AG's office. However, the Senate did not return to the bill, which is now procedurally dead since it is a nonexempt bill for the session.

The bill would restrict ownership interests in, and prohibit the conveyance of, certain real property located in Kansas to foreign adversaries, as defined by federal regulation. Those adversaries are currently China, Cuba, Iran, North Korea, Russia, and Venezuelan politician Nicolas Maduro.

The proposal was originally introduced by Kansas Attorney General Kris Kobach with push-back from agricultural and wind energy interests. Legislative leadership, the AG's office, and other stakeholders are working toward compromise language that would not restrict home ownership or apply to land leases so it is possible a compromise bill could still be considered late in the session.

ADA Website Compliance

After several rounds of negotiations between disability advocates and business lobbyists, a compromise was reached on House Bill 2016, which enacts the act against abusive access litigation. The legislation was introduced after several Kansas businesses were hit with lawsuits from out of state law firms claiming their company websites violate the ADA compliance. Specifically, the bill creates a civil action for determining whether litigation alleging ADA access violations are abusive litigation. The House will consider whether to send the bill to conference next week or send it to the governor for consideration.

Childcare Regulatory Reform

A large coalition of both business and healthcare interests are advocating for the Kansas House to debate a bill that would significantly change the regulatory requirements for childcare facilities and care workers in Kansas. Senate Sub for House Bill 2344 passed the Senate by a vote of 21-17. However, other child advocate and other interest groups are lobbying against the passage of the bill urging legislators to appoint a task force to work with the childcare community during the interim for further study and a comprehensive analysis of any potential reform.

The bill was introduced in a direct response to workforce shortages due to the difficulty in finding, affording, and retaining good childcare. Specifically, the bill would establish new training and education requirements for childcare center staff of licensed facilities, as well as general facility requirements for inspections. It would set capacity limits for day care homes and facilities based on ages of children and facility type. Childcare businesses could apply for a waiver from the requirements to the Kansas Department of Health and Environment.

A conference committee has been appointed on Senate Sub for House Bill 2344, however, the full House has not had an opportunity to debate the bill on floor. It is

possible, the full House could debate next week its sister bill, <u>Senate Bill 96</u>, which was passed out of the House Health Committee and remains on General Orders.

Local Government

Senate Bill 144 passed the House yesterday. This bill exempts satellite services from the video **franchise fee**. Local governments had expressed concerns that language in the bill could allow other companies to reclassify and avoid paying the franchise fee. Several legislators added comments to the House Journal to preserve legislative intent stating that this was not an expansion of the exemption of franchise fees in Kansas. However, the bill was not amended in committee or on the floor and will now be presented to the Governor for her signature.

<u>Senate Bill 252</u> passed the Senate this week and provides for a sales and property tax exemptions for **businesses competing against government entities**. The bill would only apply to future tax years and was amended on the Senate floor to exempt out projects approved by local voters. The bill has not yet been heard in the House, but since it has passed one body, it can be inserted into a conference committee report.

<u>Houses Bill 2446</u> provides for a **plastic bag ban preemption** so local governments cannot ban plastic bags and ancillary containers. The bill will now be referred to the Senate Commerce Committee, but since it has passed one body, can be inserted into a House and Senate Conference Committee report.

<u>House Bill 2447</u> provides for a **consumer products ban preemption** so local governments cannot ban the sale of any legal product. Due to concerns the ban is too broad, the bill is expected to be referred back to the House Commerce Committee so that it can be further worked and acted upon next session.

Public Investing Standards

The Senate passed their proposal addressing state investments made based on **environmental, social, or governance** (ESG) criteria for state pensions and government contracts. <u>Senate Bill 291</u> passed without burdensome disclosure provisions. The House version, <u>House Bill 2436</u> passed last week. The bills will now go to conference committee to work out the differences in the bills.

Tobacco Age 21

The Senate on Tuesday sent to the Governor a bill that would amend the Kansas Cigarette and Tobacco Products Act to raise the minimum age to 21 to sell, purchase, and possess cigarettes, electronic cigarettes, and tobacco products. <u>House Bill 2269</u> passed by a vote of 28-11 and earlier passed the House 68-53. Several state agencies, health organizations, and business groups have supported the bill, discussing the healthcare costs and other issues associated with tobacco use.

Women's Bill of Rights

The House on Wednesday passed legislation that would establish the Women's Bill of Rights, defining in statute the meaning biological sex – either male or female – at birth. Senate Bill 180 passed by a vote of 83-41 and would be used as the standard of judicial review to be applied regarding laws and rules and regulations that distinguish between the sexes. The bill passed the Senate in February by a vote of 26-11.

This comes after Governor Kelly vetoed the <u>Fairness in Women's Sports Act</u> earlier this month that would prohibit male-at-birth students from competing against or joining women's teams in public school athletic events. Most expect the Governor to veto SB 180 as well if it makes it to her desk.

Other Bills Advanced This Week

Here are just some of the bills that received House or Senate approval this week:

<u>Senate Bill 8</u> passed the House by a vote of 122-2 on Wednesday. The bill waives the filing penalty for **misclassification of personal property.** It also contains the provisions of <u>Senate Bill 75</u>, which deals **with statutory interest rate for prejudgment interest** in all civil tort actions.

<u>Senate Bill 49</u> passed the House by a vote of 118-6 on Wednesday and is headed to the Governor's desk for her signature into law. The bill requires **wind turbine light mitigation technology** to be installed on future projects.

<u>Senate Bill 205</u> passed the House by a vote of 123-0 on Monday. The bill authorizes certain water rights in a water bank to participate in **multi-year flex accounts** on a temporary basis.

<u>Senate Bill 271</u> passed the Senate by a vote of 27-13 on Tuesday. The bill requires **setbacks from railroad crossings and limits train length** to 8,500 feet. The issue is headed to conference committee where it is expected House members will remove the limits on train lengths but consider changes to the setbacks.

<u>House Bill 2132</u> passed the House by a vote of 124-0 on Wednesday. The bill expands the eligible fields of study for certain private postsecondary educational institutions in the Kansas **promise scholarship act**.

<u>House Bill 2019</u> passed the Senate by a vote of 29-11 on Tuesday. The bill establishes conditions for when a driver is an independent contractor for a **transportation network company**.

House Bill 2225 passed the Senate by a vote of 37-2 on Wednesday that would limit recovery for Evergy's **transmission-related costs**. There was an attempt on the floor to amend Senate Bill 312 into HB 2225, but it was ruled not germane. That amendment would have required boards of county commissioners to approve **eminent domain** powers exercised by certain public utilities.

<u>House Bill 2279</u> passed the Senate by a vote of 35-5 on Wednesday. The bill requires annual **GMD reporting**.

<u>House Bill 2292</u> passed the Senate by a vote of 30-7 on Tuesday. The bill provides a tax credit to businesses that provide **apprenticeship programs**.

<u>House Bill 2302</u> passed the Senate by a vote of 39-1 on Wednesday. The bill earmarks 1.2% of the state sales tax for **funding the State Water Plan**.

<u>House Bill 2326</u> passed the Senate by a vote of 39-1 on Wednesday. The bill extends the sunset of the **scrap metal theft reduction** program and adds catalytic converters to the list of regulated metals.

<u>House Bill 2335</u> passed the Senate by a vote of 38-2 on Tuesday. The bill continues and increases **grants toward short line rail** maintenance.