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Kansas Legislative Report, February 12-16, 2024

This was the last full week for non-exempt committees to complete their work for the first half of the legislative session. Nevertheless, the Statehouse was quieter than usual on Monday following the Chiefs Super Bowl win, and several lawmakers were out for the parade on Wednesday.

Next Tuesday marks the official last day for those committees to meet, so many of them still have agendas on the calendar. Starting next Wednesday, Legislators are on the floor working toward Turnaround on Friday, February 23. All non-exempt bills that haven't passed their House of Origin by Turnaround are dead for the year. Lawmakers will then have a four-day weekend and return to start the second half of the session on Wednesday, February 28.

Clock Ticking on Tax Override

First the House was rumored to vote on the tax bill override on Monday, then it was Wednesday, now it's next week. Kansas law gives the legislature 30 days to attempt a veto override. In this case that falls on February 25, which means that the House must vote before going home for Turnaround break next Friday. The Senate will then have 30 days after that to take it up in their chamber.

Each day, House leadership counts noses to ensure enough members are present to get to the 84 votes they need to override Governor Kelly's veto of the Republican's tax bill, [House Bill 2284](#). While tight, the House is expected to pass it with the two-thirds majority requirement. The Senate, however, remains in gridlock with one to two votes short of 27. Despite having a supermajority, less than a handful of Republican senators have been bucking the system in recent years voting against their GOP leadership.

Property Tax Discussion Heats Up

The Senate Committee on Assessment and Taxation heard two controversial property tax bills this week. On Tuesday, a hearing was held on [Senate Bill 332](#), which would provide a \$50 million annual state appropriation to the Local Ad Valorem Tax Reduction Fund (LAVTR) for the purpose of returning it to residential taxpayers in the form of rebates.

The Legislature discontinued funding the LAVTR in 2003 when lawmakers decided that local governments were not using those dollars for the intended purpose of lowering

property taxes. There have been several bills introduced and heard this session proposing to refund the program.

The Senate Tax Committee also held a hearing on [Senate Bill 468](#) on Wednesday that would prohibit cities and counties from exceeding their revenue neutral property tax rate due to tax exemptions granted for economic development projects. Local governments came out in strong opposition to the bill, citing that it removes local control of offering tax incentives to spur economic development in their communities.

Legislators say that high property tax is the number one complaint heard from constituents every year. However, little can be done through state legislation since property taxes are levied by local units of government.

Groups Pushing to Keep Fossil Fuel Plants Open

The Kansas Chamber of Commerce and Evergy have introduced separate, yet similar, bills that would make it more difficult for the Kansas Corporation Commission (KCC) to order the closing of fossil fuel plants. There are five coal plants in the state currently. Three are owned by Evergy, one by Sunflower Electric Cooperative, and the other by the Board of Public Utilities.

The Senate Utilities Committee heard [Senate Bill 455](#) proposed by Evergy on Wednesday, a bill that would allow public utilities to retain coal-fired electric generating facilities in its rate base and to recover expenses associated with their operation. The bill sets forth certain criteria for the KCC in determining whether operating the fossil fuel plant is necessary for capacity and reliability purposes only.

The body also heard the Kansas Chamber's proposal on Thursday, [Senate Bill 456](#), which would establish a rebuttable presumption against the retirement of fossil-fuel-fired electric plants and require annual reporting by the KCC to the Legislature. The bill would also extend the time required for the KCC to determine the rate-making treatment for generating or transmission facilities.

Both groups, along with other utility stakeholders, are currently negotiating on language and expected to combine the proposals into one bill.

Legislature Considers Oversight of Rules and Regulations

The House Committee on Commerce, Labor and Economic Development heard a bill on Tuesday that would give the legislative branch greater oversight of rules and regulations passed by the administration. [House Bill 2648](#) would require the Budget Director to independently determine costs of compliance and implementation for all proposed rules and regulations. If adoption of the rule or regulation is determined to cost more than \$1 million over the first five years, the state agency must pass legislation first. The bill also gives the Budget Director authority to reject the agency's economic impact statement if it's found to be incomplete.

Proponents of the legislation were the Kansas Chamber, Americans for Prosperity, and several agricultural organizations that represent highly regulated industries. They argue that this check and balance is needed to prevent overreach of the administrative branch. Growing frustration among many members of the Joint Committee on

Administrative Rules and Regulations (JCARR) over the last several years has also fueled the development of the bill. While agencies must present their proposed regulations to JCARR before adoption, the legislative committee currently has no authority or power to reject them.

House Committee Works Comprehensive Unemployment Insurance Reform

The House Commerce Committee worked the comprehensive Unemployment Insurance [House Bill 2570](#) Thursday and passed the bill out of committee for the full House to consider next week. Amendments adopted included a long sought after change that will allow bus drivers access to benefits in the off season. Ranking minority member Representative Jason Probst, D-Hutchinson, offered an amendment to remove job ghosting provisions, but the amendment failed in committee.

The underlying bill cuts positive balanced employers' tax by 50% in 2025, raises the wage base by 50% and forgives 100% of negative balanced employers balances so that all employers move to a positive balance beginning in tax year 2026. The bill also allows for eight weeks of temporary benefits for all employers and 16 weeks for highway contractors due to forced weather closures. It is expected the full House will consider the bill next week.

Proposed Expansion of the Kansas Promise Act

On Tuesday, the House Education Committee held a hearing on the Kansas Promise Scholarship Act to consider expanding the program. [House Bill 2539](#) proposes to amend Act to remove the Kansas residency requirements and redefine a "part-time" student.

Under the current Act, an eligible person must be a Kansas resident for three or more years prior to applying for a scholarship. House Bill 2539 strikes these requirements and would allow individuals residing in other states to apply for and receive scholarships. The bill still requires recipients to maintain employment in Kansas for two years following graduation or repay the financial assistance they owe plus interest. The bill also redefines "part-time" student as one who enrolls in a five-credit hour certification program.

The House Education is scheduled to work on the bill Monday.

Kansas Open Records Amendments Being Considered

The House Judiciary Committee worked and passed out [House Bill 2599](#), which would prohibit charges for a record searches and electronic copies for KORA requests. The bill also limits charges for an employee time that is required to make the records available. The bill was amended in committee and broadens the provisions of the act to apply to any group receiving \$500 or more in public funding, which could include regents instructions, convention and visitors bureaus and economic development agencies within a city. The House is expected to take up the measure next week.

Vaccine Requirements & Public Health

On Wednesday, the Senate Public Health & Welfare Committee held a hearing on [Senate Bill 390](#), which would create the Conscientious Right to Refuse Act. If passed, the bill would prohibit an employer, healthcare entity, school, or person from

discriminating based on an individual's refusal of any vaccination or other medical treatment if an individual's refusal is for reasons of conscience. The bill would also allow for a private cause of action to be filed within two years of any direct or indirect injury suffered as a result of a violation of the Act.

Proponents of the bill urged lawmakers to pass the bill and protect individual health decisions. Opponents of the bill expressed concerns for public health and safety should be considered. Specifically, the Kansas Chamber expressed concerns the Act could interfere with employers to provide safe working environments and make decisions in the best interests of all their employees.

A similar bill, [Senate Bill 391](#), was heard Thursday in Senate Public Health Committee. This would enact the Constitutional Right to Health Freedom Act, which would remove the authority of the Secretary of Health and Environment to designate infectious or contagious diseases by rules and regulations.

It is expected both bills will be worked in the Senate committee early next week.

State Budget Review

Budget committees continued their deliberations this week. The House Appropriations Committee worked the Kansas Bureau of Investigation's (KBI) budget. The KBI is asking for additional funding to combat human trafficking and the fentanyl epidemic. The committee approved the request to enhance the KBI's presence in southeast Kansas, which is one of the main routes for human trafficking across the state. The agency is also looking to hire more agents statewide to deal with the fentanyl drug trade.

The House Appropriations Committee began discussions on the state hospital budgets, focusing on nursing and technical staff salaries at mental health institutions. With workforce shortages facing many healthcare sectors, the state hospitals have had to contract with private sector staffing agencies to fill their open nursing positions, costing over \$40 million for all the state hospitals. Legislators were in consensus on the importance and urgency of addressing this issue.

The Senate Ways and Means Committee started their work on larger agency budgets and approved initial funding toward the World Cup 2026. The committee also started to work on the higher education system's budget by granting the technical colleges' request for increased funding. The tech colleges continue to see higher enrollments, and their graduates are quickly moving into the "workforce pipeline."

Because budget committees are non-exempt, their work won't let up much next week and through the rest of the legislative session.

Looking Ahead to Next Week

Next week non-exempt Committees must complete their work by Tuesday and both House and Senate will spend the remainder of the week doing floor work as the work towards Fridays half-way Turnaround point.