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Kansas Legislative Report, January 20-24, 2025

The fast pace and sense of urgency that kicked off this legislative session continued this week with 95 more bills introduced as critical bill deadlines loom. Turnaround is less than one month away set for February 20. This is when all non-exempt bills must pass their House of Origin to stay alive for this session. Both old and new legislators are navigating an intense political landscape focused on getting work done quickly and efficiently.

Property Tax Constitutional Amendment Passes First Test

The Senate Tax Committee acted on [Senate Concurrent Resolution 1603](#) this week, a constitutional amendment to limit property tax valuation increases to 3% per year for real property and mobile homes. Key amendments made included making tax value limitations transferable and clarifying taxation at the lesser of taxable or appraised value. Proponents argued the measure would prevent significant valuation spikes and help homeowners stay in their homes, with historical data showing potential significant reductions in taxable values.

Opponents raised concerns about creating inequities between long-term and new property owners, potential market distortions, and a possible disincentive for moving. Despite these reservations, the resolution passed with most committee members supporting the measure, citing it as an imperfect but necessary approach to property tax relief. It now awaits consideration by the full Senate, expected Tuesday, where a two-thirds majority vote is required.

Mill Levy Reduction Proposals Advance

The Senate Tax Committee passed [Senate Bill 35](#) this week, which removes the 1.5 state mill levy for educational and institutional building funds. The bill would reduce property taxes by approximately \$75 million annually, effectively shifting tax funding mechanisms to the State General Fund. A key amendment was made to add an inflationary factor for funding increases to address concerns from the Board of Regents about future funding levels. The bill represents a significant potential property tax relief measure, with ongoing discussions about alternative funding strategies for educational and institutional building funds. It now awaits consideration by the full Senate.

The House Tax Committee heard [House Bill 2011](#), which proposes to reduce the statewide residential property tax mill levy from 20.0 to 18.5 mills in FY 2026, with subsequent years adjusting to generate equivalent revenue based on current assessed valuation. The Kansas Department of Revenue estimates declining revenues to be \$67 million in FY 2026, escalating to \$266.7 million by FY 2030, assuming approximately 5.0% annual property valuation growth.

The same proponent groups that support SB 35 also support HB 2011, seeing these proposals as more equitable, across the board tax relief for all classes of property. Committee discussion highlighted that the bill represents a tax shift rather than comprehensive tax reduction, with potential implications for income and sales tax funding. The Kansas Association of School Boards and other education groups remained neutral, suggesting careful consideration of school funding impacts. The committee is scheduled to act on the bill next week.

Business Tax Incentive Programs Reviewed

The Kansas Department of Commerce reported to a joint House and Senate Commerce Committee this week that there have been billions of dollars in committed capital investment in the state through various tax incentive programs aimed to attract and retain businesses and jobs. To date, Kansas has seen:

- \$228.2 million in new payroll
- \$7.3 billion invested through the High Performing Incentive Program (HPIP)
- 4,386 Rural Opportunity Zone participants (ROZ)
- 693 jobs created by the Job Creation Fund with \$353 million investment
- 4,479 current apprentices from the Apprenticeship Act Tax Credit, moving KS from 47th to 29th in apprenticeships

Debate on Federal Immigration Policies Begins

The Senate Federal and State Affairs Committee acted on [Senate Concurrent Resolution 1602](#), encouraging gubernatorial cooperation to fully cooperate with enforcing federal immigration laws. Multiple amendments were proposed and debated with discussions centered on specifying criminal deportation and the legal status of immigrants. The committee rejected adding language to explicitly specify criminal immigrants. The resolution ultimately passed out of the committee, with several members wanting their “no” votes recorded. It now awaits consideration by the full Senate.

Water Plan Implementation Framework Explained

Julie Lorenz, former Kansas Secretary of Transportation and now a state-hired consultant on water issues, presented a comprehensive water management framework to several committees this week. The proposed 10-year program seeks to address five key problem areas: water quality, water quantity, reservoirs, resiliency, and research & education. With a proposed budget of \$90 million annually (including \$30 million in enhanced funding), the framework aims to dramatically improve water infrastructure and management across the state.

Key outcomes include addressing six contamination sites (up from four), expanding groundwater support to 25 counties, and increasing water supply and dam repair capabilities. The framework emphasizes long-term planning, regional cooperation, and streamlining of water management across 14 state agencies. Proposed strategies include creating a statewide water dashboard, prioritizing cost-share programs, and enhancing federal collaboration.

Eisenhower Transportation Program

An update on the Eisenhower Transportation Program was given to the House Transportation Committee this week. Each county is guaranteed \$8 million of projects. Preservation and modernization projects are on target. KDOT is looking to finishing IKE Strong with some funding constraints while balancing higher cost of system needs. Inflation has outpaced the original estimate and \$400M will be bonded this year to use it as a cash flow tool.

Bill Introductions and Hearings Next Week

[House Bill 2038](#)-Enacting the **Kansas Film and Digital Media Industry Production Development Act**, providing a tax credit and sales tax exemption to incentivize film, video and digital media production in Kansas. The bill has been referred to the House Taxation Committee and is scheduled to have a hearing on February 5, 2025.

Hearing in the House and Senate Local Government Committee's on elimination of the **Three-Mile Planning Rule for cities**. [House Bill 2025](#)-will be heard in the House Local Gov't Committee on Wednesday and [Senate Bill 37](#)-will be heard in the Senate Local Gov't Committee on Thursday.

[House Bill 2066](#) mandates every employer doing business in the state use the federal program **E-verify**. The bill was introduced in the House Federal and State Affairs Committee, but no hearing has been scheduled yet.

[Senate Bill 44](#) was introduced this week in Senate Education and proposes to expand the **Kansas Promise Act** to include private colleges and increase the amount available in the program. No hearing has been scheduled yet.

A joint meeting of House and Senate Commerce on Monday will have a presentation to learn more about a proposed bill to create a **state longitudinal data system** managed by a newly created Office of Data Management. In addition, the Committee will also receive a report on the competitiveness of Kansas. To listen in to the committee [click here](#).

On Thursday, the Senate FI&I committee will hear a presentation on a proposal to create a statewide **Paid Family and Medical Leave program**. To listen in to the committee [click here](#).