

Bright and Carpenter Consulting, Inc.



825 S. Kansas Avenue, Suite 502C Topeka, KS 66612, www.brightcarpenter.com

Kansas Legislative Report, February 17-21, 2025

*The Kansas Legislature adjourned for Turnaround break Thursday evening. Committees only met on Monday, leaving the next three days for debating and passing legislation on the floor. **Any non-exempt bills that did not pass their house of origin or get “blessed” by leadership this week are dead for the year.***

When lawmakers return on Tuesday, they only have five weeks to finish all business for the year. First adjournment is scheduled for March 28, followed by a short spring break before Veto Session begins on April 10.

Legislature Overrides First Governor’s Veto

The Kansas Legislature has successfully overridden Governor Laura Kelly's veto of [a bill](#) restricting gender-affirming care for transgender youth, making Kansas the 27th state to enact such limitations. The override passed with votes of 31-9 in the Senate and 85-34 in the House, marking a significant shift from previous years when similar vetoes by Kelly could not be overturned. Tuesday’s override succeeded this year largely due to expanded Republican supermajorities in both chambers following recent elections.

The new law prohibits physicians from performing surgery or prescribing hormone treatments and puberty blockers for individuals under 18, with limited exceptions for certain medical conditions. The legislation also includes provisions for revoking medical licenses, allows for legal action against physicians, restricts state employees from promoting social transitioning, and prohibits the use of state funds for such treatments.

House Passes Budget Before Turnaround

The House passed on Wednesday a \$10.6 billion state budget for fiscal year 2026 that breaks with several longstanding traditions in both timing and process. New this year, the Legislature drafted its own spending plan from scratch rather than working from the Governor's proposed budget. [House Bill 2007](#), which passed by a vote of 83-36, cuts spending by \$246 million compared to the previous year.

The accelerated budget process reflects broader concerns about state finances, as projections show Kansas spending more than it collects in revenue over the next several years. By 2029, the state's ending balance is expected to drop to \$152 million from its current \$3.2 billion, though \$1.8 billion will remain in a rainy-day fund.

Key points of contention among lawmakers include elimination of funding for roughly 1,000 vacant positions and a 1.5% reduction in general operating expenses for agencies; and the appropriation of only \$10 million in additional special education funding that falls significantly short of Governor Kelly's recommended \$72.6 million increase.

Medicaid Expansion Amendments Fail

Kansas Democrats made coordinated attempts to introduce Medicaid expansion amendments in both chambers this week, attaching them to a Senate bill on public assistance program oversight and a House budget bill. In the Senate, where such amendments are typically ruled out of order, Senate President Ty Masterson allowed a roll call vote on the measure, which failed 12-28 with three Republicans joining nine Democrats in support. The House amendment was defeated by a 34-82 vote. The Republican-led legislature continues to oppose the issue, making Kansas one of ten states that have not expanded Medicaid under the federal Affordable Care Act.

Senate Approves Tax Exemption for Data Centers

The Senate approved [Senate Bill 51](#) by a vote of 34-6 on Wednesday, a bill that offers substantial sales tax exemptions to data centers that invest at least \$250 million and employ 20 people. The Department of Commerce reports 14 potential data center projects in their pipeline, representing over \$15 billion in possible investment. However, these facilities have faced criticism nationally for creating relatively few permanent jobs while receiving significant tax incentives.

The proposal has sparked particular concern regarding energy consumption, as data centers are known for their substantial electricity usage. Another bill was introduced this year, [Senate Bill 81](#), that would prevent data centers from receiving discounted electric rates unless they meet certain employment thresholds. While supporters argue that sales tax on utilities could offset other tax exemptions, questions remain about scenarios where data centers might build their own power generation facilities, potentially circumventing these utility taxes.

Constitutional Amendment Clears House

With the two-thirds majority needed, the House approved 86-37 on Thursday to place a [constitutional amendment](#) on the August 2026 primary ballot that would give legislators the power to revoke or suspend executive branch rules and regulations. A similar measure narrowly failed in 2022 by 8,645 votes.

Supporters argue the amendment would restore legislative oversight lost after a 1984 Supreme Court ruling and help address Kansas's reported 70,000 regulatory restrictions, noting that Kansas is one of 11 states without such legislative oversight. Democrats opposed the measure, arguing the Legislature already has authority to control regulations through various means, including budget provisos and direct legislation.

No Impact Home Based Businesses

The House on Thursday voted [74-49](#) to approve [House Bill 2343](#) and will now be considered by the Seante. The bill bars cities and counties from prohibiting home-based businesses that have “no impact” but does allow for some narrowly tailored regulations including fire and building codes, health, sanitation, traffic control, waste and noise control. The bill also allows for enforcement compliance of state and federal laws including payment of local taxes. The lead proponent of the bill, Rep. Adam Turk, Shawnee-R, argues that the bill “reduces regulations on home-based businesses that have no visible or disruptive impact on residential neighborhoods.”

The bill prohibits a municipality from requiring a “no-impact” home-based business to register or obtain any permit or license to operate the business. It also prohibits local governments from requiring home-based businesses from getting their property rezoned, install fire sprinklers or undergo fire or building inspections, unless the codes are applied to similar homes without a business. Opponents of the bill argue it removes local control and could leave cities unable to address neighborhood safety issues and disruptions.

Local Incentive Transparency Reporting

The House passed [House Bill 2304](#) by a vote of [97 to 26](#). This bill requires local cities and counties to provide information on economic development incentives to the Kansas Department of Commerce for programs initiated on or after July 1, 2025. Current law requires the Department of Commerce to maintain an economic development incentive database to collect and store incentive data from state agencies. The bill also allows the Secretary of Commerce to access up to a 1% but no more than \$1,000 fee on all incentive programs administered by the Department of Commerce.

Supporters of the bill argue incentives are funded with taxpayers dollars and more transparency and accountability is needed. Opponents argue it is overreach by the legislature and that local tax dollars should be controlled by local governments.

House Votes to Eliminate Low Income Housing Tax Credit

On Thursday the House voted to eliminate the Affordable Housing Tax Credit or Low Income Housing Tax Credit (LIHTC) program after 2025 when it passed [House Bill 2119 by a vote](#) of [85 to 36](#) on Thursday.

The bill was introduced at the request of the Chairman of the House Commerce Committee, Rep. Sean Tarwater, R-Overland Park, who argues the state cannot afford the program, an impact on the state general fund of up to \$25 million per year. Opponents of the bill urged legislators to not eliminate the program but to instead look to pare the program down to reduce costs. They explained to lawmakers without these incentives it will be even more difficult to find developers for housing projects, particularly in the rural areas of Kansas.

The bill is now headed to the Senate where opponents are hoping to work with Senators to find a compromise to keep the program alive.

Film Tax Credit Advances To House

On Wednesday, the Senate passed [Senate Bill 52](#), on a vote of [33 to 7](#) sending it to the House to work during the 2nd half of session. This bill is an effort to re-establish the Kansas film industry incentives through a Kansas Film and Digital Media Production Development Program. The bill has a \$5 million cap on the program and limits the maximum credit per taxpayer to \$1 million.

A similar measure passed both chambers with strong bipartisan support in 2024 but was vetoed as part of a larger tax package. Supporters, including the Department of Commerce and state tourism groups, argue Kansas is missing economic opportunities as one of few states without such incentives, while also contributing to "creative brain drain." The bill requires at least 10% of credits be reserved for Kansas-based production companies and offers increased credits for productions employing Kansas residents or contributing to the state's film infrastructure.

Immigration Enforcement Agreement

On Monday, the Attorney General's office announced an agreement has been reached with the federal government to allow KBI agents to help enforce immigration law in Kansas and remove criminal illegal immigrants found in the state. Kansas is one of the first states to reach such an agreement. A limited number of KBI agents will receive ICE training that authorizes the agents to arrest immigrants who are in the country illegally, to serve and execute warrants for some immigration violations, and to issue immigration detainers. Similar legislation has been introduced in both the House and Senate, mandating local law enforcement cooperate with the federal enforcement efforts.

STAR Bond Renewal and Expansion

[Senate Bill 197](#) passed the Senate on a vote of [32-8](#) and renews the current STAR Bonds program for an additional three years. The bill also extends the program to include mall redevelopment

projects, vertical construction projects in communities less than 60,000 and eliminates a city or county authority to use eminent domain for STAR Bonds projects. The bill also requires quarterly reporting to the Secretary of Commerce of visitor zip code data to be published on the KDC website. The bill will now go to the House Commerce Committee for consideration.

Constitutional Amendment on Rules and Regs Oversight

[House Concurrent Resolution 5008](#), cleared the House this week by a vote of House on a vote [87-37](#). This measure would allow another vote to amend the Kansas constitution granting legislative oversight of rules and regulations adopted by executive branch agencies and officials. A similar constitutional amendment measure was voted down in the 2022 elections.

Next Week

The House and Senate will return from Turnaround on Tuesday with a week full of hearing on bills that have passed over to the second chamber or that have touched an exempt committee.

[House Bill 2007](#)-House Passed Budget Bill. The Senate Ways and Means Committee will have a briefing on the bill on Tuesday.

[SCR 1611](#) - Judicial selection hearing next Tuesday in the Senate Federal and State Affairs committee.

[House Bill 2152](#)-Local Investments. The House Financial Institutions Committee will continue the hearing on the bill and discuss the potential compromise reached between the parties.

[House Bill 2211](#)-STAR Bonds Food Sales Tax Fund. The House Taxation Committee will hear the bill on Wednesday.

[House Bill 254](#)-Local Benefits for Illegal Immigrants. The Senate Federal and State Affairs Committee will hear the bill on Thursday.

[Senate Bill 108](#)- Authorizing counties to impose an earnings tax. The Senate Tax Committee will have a hearing on Thursday.