

Bright and Carpenter Consulting, Inc.



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

Kansas Legislative Report, February 24-28, 2025

Lawmakers returned from their four-day recess on Tuesday to officially start the second half of the 2025 Legislative Session. The legislature is Pro Forma on Friday, making it a relatively quiet week. While they slowly eased back into committee work, it's typically after Turnaround when the tempo speeds up significantly to meet bill deadlines for the year. Roughly 120 hearings are scheduled for next week, so it will be fast and furious until the March 28th scheduled Adjournment date.

While budget committees continue to hustle, other controversial issues are beginning to peak through discussions. Foreign land ownership, immigration, and income tax cuts are just some of the issues expected to be on the agenda in March.

Constitutional Amendment for Election of Supreme Court Justices

The Senate Federal and State Affairs Committee on Tuesday held a contentious hearing on [Senate Concurrent Resolution 1611](#), which proposes a constitutional amendment to replace Kansas' Supreme Court nominating commission with direct election of justices. Proponents, including Senate President Ty Masterson and Attorney General Kris Kobach, argued the current system gives too much power to lawyers on the nominating commission. They cited an 87% SCOTUS reversal rate since 2007; polls showing 74% of Kansans support direct elections; and claimed voters select more experienced judges than commissions do.

Opponents, including the Kansas Bar Association and the American Civil Liberties Union, countered the current merit-based system protects judicial independence and impartiality. They warned that campaign financing would compromise judicial neutrality, citing Wisconsin's recent \$45 million Supreme Court race with substantial out-of-state funding. Critics also disputed the reversal rate statistics and emphasized that voters consistently retain justices in current retention elections, suggesting satisfaction with the system.

New Property Tax Relief Plan Emerges in House

House Tax Committee Chair Adam Smith introduced [House Bill 2396](#) this week creating a \$60 million fund to reward cities and counties that keep spending below inflation rates. The proposal includes a mechanism allowing residents to challenge excessive local spending through protest petitions requiring signatures from 10% of qualified voters.

This plan emerges as an alternative to previously stalled proposals, including a 1.5-mill cut to school property taxes in the House and the Senate's preferred approach of eliminating the 1.5-mill levy for state institutional buildings.

Smith indicated the House will still pursue a constitutional amendment limiting residential property appraisal increases to a rolling six-year average of statewide home values, contrasting with the Senate's proposal for a 3% cap compared to 2022 values. This approach differs from the state's previous property tax lid (from 2017-2021), which critics found ineffective due to numerous exemptions and burdensome referendum requirements for local governments.

Senate Budget

The Senate Ways and Means Committee held a briefing on the House passed budget bill, [House Bill 2007](#). To strengthen their negotiating position and to spur additional debate and discussion, the Senate removed several key items from the budget including the removal of the majority of programs funded from ARPA interest funds, all programs funded with EDIF and other economic development programs including \$1 million for the Sunflower Summer program. The committee also removed several programs funded through the Board of Regents. Next week, hearings will continue in the Senate as they work to prioritize spending and look for additional ways to cut state spending. The Senate Committee will likely pass out the budget bill the week of March 10th with floor debate to follow.

Business Tax Apportionment Change Proposed

The House Tax Committee held a hearing on [House Bill 2336](#), which proposes changes to how business income is apportioned in Kansas. Specifically, it introduces the use of a single sales factor for business income alongside deductions related to these factors. The bill also addresses corporate income tax rate reductions and clarifies how sales other than tangible personal property, are handled, particularly excluding sales of electric and natural gas public utilities within a unitary business group.

Proponents for the bill expressed support for the bill, noting that while initially opposed to the single sales factor, it has become clear that Kansas businesses can benefit from this model, especially as neighboring Missouri has adopted it. Proponents noted Kansas is currently one of only six states that still use the traditional three-factor formula and advocated for a reduction in the corporate income tax rate, coupled with a deferred tax liability credit. A recommendation was made during the hearing concerning the sale of natural gas between service corporations and utilities, suggesting that the current three-tier system be maintained. No other testimony from neutrals or opponents was recorded.

House Passes Bill Capping Utility Wildfire Punitive Damages

The House approved [House Bill 2017](#) on Thursday by a vote of 99-19 limiting punitive damages from utility-caused wildfires to \$5 million per claim while requiring plaintiffs to demonstrate negligence by a preponderance of evidence. The bill establishes a two-year statute of limitations but notably excludes a controversial provision that would have

restricted property damage compensation, which had initially concerned the Kansas Farm Bureau and Kansas Livestock Association. Supporters emphasized the bill places no limits on economic or non-economic damages, preserving landowners' ability to seek full compensation for actual losses.

Evergy advocated for the legislation to protect utility financial stability and limit ratepayer exposure to legal costs. House Energy Committee Chairman Leo Delperdang noted that maintaining utilities' investment-grade status prevents increased capital costs that would ultimately affect consumer rates. The bill also directs the Kansas Corporation Commission to convene stakeholders to assess wildfire risks and mitigation measures. This legislation comes in response to massive wildfire settlements that have financially devastated utilities in some western states. The Senate Utilities committee is expected to hear the bill Thursday, March 6th.

Talent Attraction Program Requests Budget Appropriation

On Wednesday, Ben Ledo from [Make My Move](#) requested a \$3 million appropriation from the House Appropriations Committee for their talent attraction program targeting smaller communities. The program, created by the founders of Angie's List, has already demonstrated success in Indiana where it brought 780 households with at least one job (average salary \$122,000). The program is underway in Kansas, moving five families to Lincoln County and starting initiatives in Reno County, with 23 individuals moving to Kansas earning average salaries over \$90,000.

The proposed funding would be structured as an 80-20 grant split (state-local) with individual grants capped at \$250k in state funds and additional funding contingent on meeting performance goals. When questioned by several legislators, Ledo explained that most movers come from overcrowded states like California, Illinois, and Texas seeking community connection. The company stated it works closely with local stakeholders to develop customized strategies for each community and determines economic feasibility before implementation.

Lawmakers Receive Briefing on KC's 2026 World Cup Planning

Representatives with [KC2026](#) reported to the House Appropriations Committee on Wednesday that Kansas City's World Cup preparations are advancing well, with Kansas contributing \$27 million of the \$111 million in public funds. Six matches have been secured, which is more than originally expected, including a quarterfinal, with an anticipated 650,000 visitors (54% international) generating \$653 million in direct spending. The event, which will reach roughly half the world's population, features three base camps in the region, with Rock Chalk Park and Sporting KC's training facility located in Kansas.

KC2026 is requesting \$3 million for marketing and planning plus \$1.5 million in contingency funding. The organization is coordinating with the Kansas Department of Commerce and local jurisdictions on security (the largest budget item at \$3.75 million state cost), transportation plans focusing on the immediate region, and hotel capacity of

21,000 rooms generating \$163 million in economic impact and \$10 million in tax revenue.

Childcare Hearings

The House Commerce Committee heard [House Bill 2294](#) this week. The bill would reduce certain license fees and training requirements for staff of childcare centers, create a process for day care facility licensees to apply for a temporary waiver and would create and transfer records to the Kansas Office of Early Childhood, something the Governor has advocated for in recent years.

The Governor's Office as well as many business groups and childcare organizations supported the bill because the provisions would expand access to affordable, high-quality care while supporting both families and providers. The Governor's Office stated that HB 2294 is designed to boost Kansas' workforce and economic growth by making it easier for families to find and afford childcare while also helping providers operate more effectively with clearer standards and reduced bureaucratic red tape.

STAR Bonds Food Sales Tax Replacement Fund

The House Taxation Committee held an hearing on [House Bill 2211](#), which establishes a fund to reimburse STAR Bonds districts for the reduction in the sales tax on food that was fully repealed in January of this year. STAR Bonds districts, established before the repeal of the sales tax on food, relied on these estimated dollars to pay back the bonds. The Fiscal Note for the bill was estimated at \$8.3 million, which is higher than originally anticipated. The bill was met with concerns from committee members stating that these districts should not receive state funding.

Public Funds

An agreement has been reached on [House Bill 2152](#), the local investment bill that was brought to the Legislature by the Kansas Bankers Association. The bill proposes to make changes to how the state and local units of government invest their idle funds. The KBA stresses the bill will help keep Kansas dollars stay in Kansas and bring economic development to all communities.

Local governments expressed concerns over the bill's provisions and negotiated language all parties can agree upon. The terms of the negotiated agreement include allowing for a move to a single collateral pool for banks, naming the State Treasurer's office as the administrator of the collateral pool, who is charged with confirming sufficient collateral is available in the pools. The agreement also did away with mandating local governments invest in Kansas banks if the "first look" KS rate was within .5% of an out of state investment. This provision was the most concerning for locals units of government, who estimated this provision would have cost Kansas taxpayers millions of dollars in investment revenue. The agreed to amendments will be worked by the House Financial Institutions Committee Monday.

Immigration

The Senate Federal & State Committee held a hearing on [Senate Bill 254](#), which would prohibit persons who are unlawfully present in the United States from receiving state or local public benefits. The only verbal proponent, Attorney General Kris Kobach, urged the committee members to pass the bill strictly on the merits that providing any public benefits to those here illegally is breaking federal law. He also noted that this bill would save Kansas millions of dollars.

Opponents of the bill included Sister Therese Bangert of the Sisters of Charity, ACLU, KS County Commissioners and the KNEA who indicated the bill would be harmful to Kansans, hurt the Kansas economy and would be difficult to enforce without more clarity on what constitutes a public benefit.

The committee ended abruptly when an opponent conferee refused to sit down after being told there was no additional time for testimony so it is unclear if the hearing will be continued next week or if the committee will work the bill.

Next Week

Hearing in House and Senate Committee ramp continue a frenzied pace with committees working all five days.

Monday

- [Senate Bill 179](#), proposes to establish a state child income tax credit, will be heard in Senate Tax.
- [Senate Bill 195](#), would establish a property tax task force to study the property tax system in Kansas and develop recommendations and suggest improvements to law, will be heard in Senate Tax.

Tuesday

- [House Bill 2308](#), which would enact the AIM-KS (Aviation and Innovative Manufacturing in Kansas Act) which is aimed to attract businesses establishing headquarters, engaged in aircraft assembly, electric or hydrogen-powered motor vehicle production, and other specified industries to Kansas, will be heard in the House Commerce Committee.

Wednesday

- [Senate Bill 44](#), which proposed to expand the postsecondary educational institutions eligible to participate in the Kansas promise scholarship program will be heard in House Education Committee.
- [House Bill 2047](#), which provides for a real time online auto insurance verification system will be heard in the Senate Financial Institutions and Insurance Committee on Wednesday.

Thursday

- [Senate Bill 51](#), which provides a sales tax exemption for the construction or remodeling of a qualified data center in Kansas will be heard in the House Taxation Committee.
- [Senate Bill 178](#), which requires local law enforcement to enter into agreements with federal agencies to enforce federal immigration laws will be heard in the Senate Federal and State Affairs Committee.