



LEGISLATIVE REPORT

KEDA

APRIL 1, 2021

OVERVIEW

March Madness has reached the Kansas Legislature as numerous issues move toward resolution before First Adjournment. This week saw a handful of committees meet, but most of the time was spent on the House and Senate floor debating bills. Next week is the final week of regular session, poised for First Adjournment on April 9. The next few days will be dedicated to conference committees where they will negotiate the differences between bills passed by the two chambers.

Major policy was considered over the last several days, some of it controversial. The House passed its budget which will be compared against the Senate's respective version in conference committee. The House passed a comprehensive education policy bill that creates educational savings accounts for at-risk students and appropriates K-12 funding.

After First adjournment, legislators will return to their district for three weeks and come back for Veto Session beginning on May 3.

COVID Business Liability

The Governor has signed SB283 into law. The bill would extend the business liability provision for the COVID-19 response and reopen for business liability protection act to apply to actions accruing on or after March 12, 2020. This bill would extend the provisions until March 31, 2022 for both the business and health care liability provisions. The bill also extends the use of telemedicine and allows the Board of Healing Arts to grant certain temporary emergency licenses.

University Engineering Initiative Act

The University Engineering Initiative Act (UEIA) extension, HB2101, was passed by the Senate by a vote of 37-2. Since there were no amendments on the Senate side, the bill goes to the Governor. The program is administered by the Kansas Department of Commerce and Board of the Regents and provides \$10.5M each year from the Lottery Act Fund that is evenly split by Kansas State University, Wichita State University and Kansas University. The program also requires matching funds.

KIT and KIR HPIP Decoupling and HPIP Transfer of Credits

SB65 was concurred with by a vote of 38-1, and the bill is headed to the Governor. The bill would decouple the requirement of participating in the Kansas industrial training, Kansas industrial retraining in order to receive HPIP credits. SB91 was added to the bill, which would allow for a taxpayer with HPIP projects placed in service after January 1, 2021 to transfer up to 50% of the tax credit. The taxpayer may make a transfer to one or more transferees, but the total of all transfers shall not exceed 50% of the taxpayer's tax credit. The taxpayer shall make the transfer or transfers within a single tax year.

Star Bonds

SB124 passed out of House by a vote of 101-23 and was concurred by the Senate by a vote of 30-9. It now goes to the Governor. The bill amends STAR bonds by adding rural redevelopment projects and major business facilities, changing certain project financing, investment and sales provisions, adding a visitor tracking plan requirement and additional feasibility study requirements with oversight by the secretary, requiring approval by the secretary for real estate transfers, requiring district contiguity, making other amendments and extending the sunset date for five years.

Angel Investor Tax Credit

SB66 is the bill would extend the sunset for the Angel Investor Tax Credit from tax year 2021 to tax year 2026 and would increase the amounts of tax credits allowed. SB66 was agreed to by the Senate by a vote of 29-9. The bill is on its way to the Governor.

Rural Housing Incentive District

SB90 and would amend the Kansas rural housing incentive district act to permit bond funding for vertical residential renovation of older buildings in central business districts. The structures would need to be 25 years or older. SB90 was passed by the House vote of 105-17, and the Senate concurred with a vote of 34-5. It also goes to the Governor.

Governor's ERO 48

Governor Kelly's ERO 48 has been approved. The House and Senate have recommended the ERO be approved. The ERO would transfer the Division of Tourism and the office of the Director of Tourism from the Kansas department of wildlife, parks and tourism to the Kansas Department of Commerce.

Marketplace Facilitator Bill

SB50, the marketplace facilitator bill, was passed by the House with a vote of 81-43. The Senate concurred with a vote of 30-10. The bill is on its way to the Governor. Added to the bill were the decoupling language, higher standard deductions for individuals, extension for filing income taxes, and net operating loss. The bill, in regard to marketplace facilitator language, has an April 1, 2022 implementation date for the prepaid wireless 911 fees. The bill would provide guidance and definition to sales tax requirements relating to marketplace facilitators; requiring the collection and remittance for sales, compensating use and transient guest taxes and prepaid wireless 911 fees made on platforms. The bill would set \$100,00 as the amount of sales needed to Kansas to be required to pay sales tax.

Medicaid Expansion

No movement has occurred on any Medicaid expansion bills. There was an effort to amend Medicaid expansion during the House debate on the budget. The amendment failed by a vote of 46-78.

Medical Marijuana

Discussion on medical marijuana continued with the House Federal & State Affairs Committee considering and approving several amendments to the bill. An approved amendment includes language offered by the Kansas Chamber, which ensures that the act will not force an employer to accommodate the use of medical marijuana or prohibit the employer from drug testing and/or establishing a drug free policy. After debate, the committee narrowly approved the bill, sending it to the House floor in the form of House Substitute for SB 158. The bill may be considered on the House floor in the future.

Unemployment Issues

HB2196 was passed out of the Senate by a vote of 40-0. The bill Senate Substitute for HB 2196 by Commerce, Labor and Economic Development would make extensive change provisions of the employment security law

Liability Protection for Businesses

SB91 now has the contents of HB2442 in it and was voted out of House Commerce Committee. The bill was sent back to House Appropriations to keep it alive. SB91 now provides liability protection for businesses, municipalities and educational institutions that participate in high school work-based learning programs and providing that schools are responsible for injuries to students participating in such programs.

Vaccine Bill

SB213, which prohibits an employer from taking any adverse employment against an employee because of the employee's vaccination status, was added to SB212 and voted out of the Senate Health and Welfare Committee on Monday. It is now on the Senate calendar. Senator Mark Steffen, MD (R-Hutchinson), who introduced the bill, said the bill is intended to protect employees and the COVID-19 vaccination is still experimental. The Kansas Chamber of Commerce opposes the bill noting this is no different from existing employer decisions and is best to allow the current business environment to continue.

Child Care Tax Credit

HB2414 was passed out of House Taxation on Thursday and the Senate companion, SB63, was passed out of the Assessment and Taxation on Monday. Neither bill has been worked in the full house or senate. The bill would expand what taxpayers can claim the 50.0 percent child day care assistance tax credit. The bills would also allow individual income taxpayers to claim this tax credit and increases the tax credit to 50.0 percent for taxpayers that provide facilities and necessary equipment for a child day care services after the initial year or if the taxpayer pays for or locates child day care services for their employees beginning in tax year 2021.

Licensure Bill

The Licensure Reciprocity bill, HB2066, will be reviewed in conference and a couple of technical amendments are expected. In short, the bill provides that people licensed out of state and/or military spouses who move to Kansas are on the fast track to obtain a Kansas license unless the requirements are substantially different.

Property Tax Bill

SB13 has signed by the Governor. SB 13, as amended, would repeal the property tax lid law applicable to cities and counties, establish notice and public hearing requirements for any taxing subdivision seeking to collect property taxes in excess of the subdivision's revenue-neutral rate, prohibit valuation increases resulting solely from normal maintenance of existing structures, and expand the allowed acceptance of partial payments or payment plans for property taxes.

Links to House and Senate Calendars

http://kslegislature.org/li/b2021_22/chamber/calendars/

Audio and visual link <http://kslegislature.org/li/>

Sandy Braden, President, Braden Heidner Lowe & Associates

Email: sandy@bhlandassociates.com

Office: 785-233-4512