



LEGISLATIVE REPORT

KEDA

APRIL 29, 2022

OVERVIEW

The 2022 Legislative Session is nearly in the books as legislators returned to Topeka for a five-day veto session to consider veto overrides and wrap up lingering items. During the April break, Governor Kelly vetoed seven bills, one of which was successfully overridden (HB 2448- related to food assistance work requirements). By early Friday morning, the House and Senate wrapped up business for the veto session but scheduled a May 23 return to possibly address court action on the new congressional redistricting map.

The week saw stop-and-go momentum but ultimately approval of a final omnibus budget, school finance and tax policy. The unprecedented increase in sales tax revenue allowed the Legislature to pass a balanced budget and pay down \$1 billion in debt related to the state employee retirement system. The phase-out of state food sales tax was also approved with the 6.5% rate down to 4% on January 1, 2023, dropping to 2% a year later and then zero by 2025. After years of debate, Kansas legalized wagering for professional and collegiate sports. Several other conference committee reports were passed back and forth between the Senate and House and sent to the Governor's desk.

Though the session is nearly complete, the change of focus to election season will wait until the ceremonial last day of session, known as Sine Die, to be scheduled for late May. All statewide offices, including the Governor, will stand for election, along with all 125 House seats. The candidate filing deadline is June 1, though four House members have already announced they will not seek re-election, including Jim Kelly (R-Independence), Annie Kuether (D-Topeka), Ron Highland (R-Manhattan) and Rich Proehl (R-Parsons) with others expected to announce on May 23. The new House redistricting map is signed into law, effective for the August primary election.

Though state elections are on track, congressional elections remain a question mark. The new congressional redistricting map was voided by a judge and is now under appeal to the Kansas Supreme Court. It remains to be seen what action will take place by May 23 and the exact task for the Legislature, if any. Meanwhile, the May 23 return is part of the 2022 session, thus all legislation remains active, suggesting other issues may surface for consideration.

Budgets

K-12 Funding was fully funded in the separate bill that passed the legislature late Thursday. The Governor also signed the base budget that was passed in early April. The additional funding was passed by the legislature Thursday also, and both the K-12 and the additional budget bill are headed to the Governor.

Major adjustments to the budget passed earlier included paying off bond debt early; providing additional funds for reduction of human services caseloads; adding an additional \$12.5 million for operating funds for higher education; adding funds to develop the land for APEX project; state fair capital improvements and adding to the STAR Bond Sales Tax Refund Fund to defray the cost of reducing the food sales tax. Links to both budget bill explainers:

http://www.kslegislature.org/li/b2021_22/measures/documents/ccrb_sb267_04_0000.pdf

http://www.kslegislature.org/li/b2021_22/measures/documents/ccrb_hb2510_02_0000.pdf

Business Liability Issues

The Governor vetoed the bill that included civil liability protections for health care providers and businesses. The bill excludes medical facilities and providers at those facilities from immunity if they refuse to provide treatment to someone because they're not vaccinated against COVID-19. The legislature did not override the veto, so the bill does not become law.

House Sub. for SB 91 was signed by the Governor. This bill would exempt businesses from certain liability claims arising from a secondary student engaged in a "work-based learning program," as defined by the bill. The school district would be responsible for a student's loss due to bodily injury, sickness, or death caused by accident due to a negligent act or omission caused by the student or business. The bill would not provide immunity for the student or business for gross negligence or willful misconduct.

Child Care and Housing Tax Credits

Senate Sub for HB2237 was passed by the legislature and has been sent to the Governor. It is a combination housing and childcare tax credit bill. The childcare provisions would allow any income or privilege taxpayer to claim the child day care services tax credit and would permit taxpayers to claim 50 percent of expenditures paid to an organization providing childcare to the taxpayer's employees beginning in tax year 2021. Current law limits the credit to corporation income taxpayers and does not permit the credit for payments made to organizations. There is a \$3 million cap for this credit.

Other provisions for housing tax credits included changes to the Kansas Housing Investor Tax Credit Act; changes to the Historic Kansas Act; changes to the Kansas Rural Home Loan Guarantee Act; changes to residential real estate appraisals in rural counties; and amends the Kansas Rural Housing Incentive District Act.

Sub. for HB2239 was signed by the Governor. The bill included income, sales, and property tax changes. The bill would modify revenue neutral rate notice and hearing procedures and provide for taxpayer complaint procedures; increase the residential property tax exemption from the uniform statewide school finance levy; specify the classification of land used by zoos, used incidentally by certain agritourism activities, and the federal Grassland Conservation Reserve Program; create a property tax exemption for antique utility trailers; allow for the proration of certain personal property taxes; expand the authority of county commissions to abate property taxes for disaster-destroyed property; and modify the definition of telecommunications machinery and equipment for purposes of property tax exemption.

Other Issues

Two bills that the Governor vetoes were the bill that established the parents' bill of rights for parents of students attending elementary or secondary school in Kansas and enacting the fairness in women's sports act to require that student athletic teams only include members who are of the same biological sex unless designated as coed. The legislature attempted to override both vetoes but failed. Neither bill will become law in Kansas.

The Governor approved HB2717, which would prohibit any municipality from preventing the enforcement of federal immigration laws. It would require municipal law enforcement agencies to provide written notice to each law enforcement officer the duty to cooperate with state and federal agencies regarding immigration laws. Any municipal identification card to state on its face that it is not valid for state identification.

The Kansas Legislature will be on break until Monday, May 23. Here is a link to the Kansas Legislature website:
<http://www.kslegislature.org>

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