



LEGISLATIVE REPORT

KEDA

FEBRUARY 19, 2021

OVERVIEW

Another week is in the books as snow and subzero temperatures forced several committees to postpone or cancel planned meetings. Nearly 700 bills have been introduced as committees plan to spend the next week holding hearings and recommending bills before the Turnaround deadline on March 5. Turnaround marks the deadline by which most bills must be passed by their chamber of origin to remain active in the process this session. The House and Senate continue to piece together their state budget drafts while school choice, sports wagering and medical marijuana proposal, along with vaccination updates capture headlines.

The Legislature regretted to learn of the passing of Senator Bud Estes (R-Dodge City), who battled health issues over the last year. The Senate will be closed on Monday to allow members to attend Senator Estes' funeral.

Unemployment Issues

As the headlines continue to highlight the difficulties of the Kansas Department of Labor and fraudulent unemployment claims, the legislature will be looking at a couple of bills. HB2196 is looking at changing provisions of the employment security law, was heard in House Commerce. The bill will have discussion and action next week on Thursday. A Senate counterpart, SB177 was heard all next week in Senate Commerce. A joint House and Senate group will begin to meet to develop an agreed to bill.

Star Bonds Bill

SB124 passed out of the Senate Commerce Committee last week. There is a house version, HB2221 that has been sent to House Commerce. 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.

R&D Bill

HB2394 was introduced last week. The bill would increase the amount of the research and development tax credit, expanding eligibility beyond corporate taxpayers and permitting transfer of the credit.

House Commerce on KIT and KIR HPIP Decoupling and Angel Investor Tax Credit

HB2097 has been passed out of the House Committee on Commerce, Labor and Economic Development. The companion Senate bill, SB65 has also been passed by the Senate. The bill would decouple the requirement of participating in the Kansas industrial training, Kansas industrial retraining in order to receive HPIP credits.

The House Commerce Committee passed out HB2045, which 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. There were technical amendments that were requested by the Commerce Department. The Senate version, SB66, has been voted out of the Senate.

Rural Opportunity Zones

SB216 and SB217 were introduced last week. SB216 would extend the eligible time period for rural opportunity zones loan repayment program and income tax credit and SB217 would add eight additional counties to the rural opportunity zone list. Both were sent to Senate Assessment and Taxation.

HPIP Transfer of Credits Bill Introduced

The Kansas Department of Commerce introduced Senate and House bills, HB2171 and SB91, which would allow for transferability of unused HPIP credits. SB91 was heard in Senate Commerce and was passed. The bills 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.

University Engineering Initiative Act

The University Engineering Initiative Act (UEIA) that will sunset in 2021 was heard in House Appropriations. The Committee members are supportive of the Act. There were no opponents and one neutral. The program is administered by the Kansas Department of Commerce and Board of the Regents, the program provides \$10.5M each year from the Lottery Act Fund that is evenly split by Kansas State University. The bill was passed out of the Appropriations Committee this week.

Licensure Bill

The Licensure Reciprocity Bill is HB 2066 and was passed out of the House Commerce Committee. 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. The Senate version, SB137, will be heard next week in Senate Commerce.

Marketplace Facilitator Bill

Both SB50 and HB2173 are marketplace facilitator bills that have not been worked in Committee. 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.

Governor's ERO 48

Governor Kelly's ERO 48 was heard in Senate Commerce on Thursday and voted favorable out of Committee. The House has also 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.

Rural Housing Incentive District

SB90 and HB2170 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 out of Senate Commerce Committee last week. HB2170 is in House Commerce Committee.

Medical Marijuana Regulation Act

HB2184, which would establish the regulation of medical marijuana, will be heard in the House Federal and State Committee on Wednesday and Thursday.

Links to House and Senate Calendars

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

Since much of the committee and floor activity will be available virtually, here is the link to the Kansas Legislature website, where the audio and visual will be available. <http://kslegislature.org/li/>

Sandy Braden, President, Braden Heidner Lowe & Associates

Email: sandy@bhlandassociates.com

Office: 785-233-4512