



# LEGISLATIVE REPORT

KEDA

FEBRUARY 24, 2022

## OVERVIEW

The 2022 Legislative Session has officially reached its halfway point, known as Turnaround. The procedural legislative deadline is significant as it effectively stops legislative bills unless they have passed one chamber, have touched an exempt committee (budget, tax or federal and state affairs) or have leadership's blessing. This week the House and Senate debated and passed dozens of bills that now transition to the opposite chamber to restart the process. Bills subject to the Turnaround deadlines will not be able to receive consideration after February 24 unless they have been passed by one chamber.

The second half of session, beginning next week, will see less quantity of bills floating around but remaining bills generally have more momentum. March will see the process begin to pick up speed, with two weeks dedicated for committee work and the rest of the month reserved for debating bills and conference committees.

The development of the budget bills will occupy considerable time, along with consideration of state House and Senate redistricting maps. Food sales tax reduction is expected to receive more consideration, with tax committees continuing their work on multiple approaches.

## Sales Exemptions and Tax Credits

Another new food sales tax reduction was introduced in House Taxation this week. HB2720 would eliminate the sales tax on food but does not adjust for the loss in highway fund revenue. HB2711 would reduce the food sales tax to 3.5%. It would then reduce it further if the balance in the stabilization fund is \$100 million or more, with the end goal of elimination of the food sales tax. It keeps the highway fund whole and reduces the overall rate to 6.3%. Both bills will be heard on Wednesday, March 2.

## Housing Bills

SB375 and SB369 were placed in HB2212 and passed out of Senate Federal and State Affairs Committee. SB375 would enact the Kansas Housing Investor Credit Act. The purpose of this new tax credit program would be to facilitate investment in suitable housing that will support the growth of communities that lack adequate housing by attracting new employees, residents, and families and would support the development and expansion of businesses that are job and wealth creating enterprises.

SB369 would enact the Kansas Affordable Housing Tax Credit Act. The Act would provide a new Kansas Affordable Housing Income Tax Credit for qualified low-income housing projects located in Kansas and determined by the Kansas Housing Resources Corporation (KHRC) to be eligible for the federal low-income housing tax credit beginning in tax year 2023. No further action has been taken on HB2212.

HB 2701 would amend definitions within the Kansas Rural Housing Incentive District Act to specify that for purposes of projects defined in KSA 12-5249(a)(11), within a qualified census tract, “city” includes any city with a qualified census tract located within the city and “county” includes any county with a qualified census tract located within the county. A “qualified census tract” would be defined to mean an economically distressed urban area that is a qualified census tract as defined and designated by the United States Department of Housing and Urban Development. The bill would also amend KSA 12-5249 to specify certain projects under the Act could include those in a business or commercial district within a qualified census tract. This bill was not worked by blessed by leadership to be worked after turnaround.

HB 2268 would enact the Kansas Rural Home Loan Guarantee Act (Act). The provisions of the Act would be administered by the Kansas Housing Resources Corporation (KHRC), and loan transactions eligible for a guarantee would include the construction or renovation of a single-family home in a rural county. The total amount of loans guaranteed under the Act would be limited to \$2.0 million. A rural county is defined as less than 10,000 population. The bill was blessed and can be worked after turnaround.

### **Budget**

The subcommittees of the House Appropriations and Senate Ways and Means Committees have begun meeting to finalize individual budgets and present to the full Committees. There are many budget subcommittee reports expected for the next weeks.

### **Business Practices Bills**

SB 482 is a bill that would prohibit certain government contracts with companies that allegedly discriminate against firearm entities and firearm trade associations. This bill did not pass out of committee but is still alive the remainder of the year.

### **Other**

HCR 5014, if adopted by a two-thirds majority of each chamber of the Kansas Legislature and approved by voters, would amend the Kansas Constitution to create a new section in Article 1 concerning legislative oversight of administrative rules and regulations. The new section would provide that, whenever the Legislature by law has authorized any officer or agency within the executive branch to adopt rules and regulations that have the force and effect of law, the Legislature may provide by law for revocation or suspension of any such rules and regulation, or any portion thereof, by a majority vote of the members of each house. The HCR5014 passed the second time around by a vote of 85-39. It is scheduled for a hearing in the Senate Judiciary Committee on Wednesday March 2.

The Senate Education Committee will have an informational presentation on Higher Education issues on Wednesday, March 2.

Next week the House Commerce Committee will have presentations on the Kansas State Use law and report on annual sales; rural economic development and housing; and office of broadband development.

The Senate Judiciary Committee will have informational briefing and discussion of potential legislation on selection of Supreme Court Justices and orders and actions by public officials relating to vaccine passports, face mask mandates, gathering limitations, business restrictions, and religious gathering limitations on Wednesday and Thursday.

### **Next Week**

Below is a link to the calendars for next week: [http://www.kslegislature.org/li/b2021\\_22/chamber/calendars/](http://www.kslegislature.org/li/b2021_22/chamber/calendars/)

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