



BRADEN · HEIDNER · LOWE
& ASSOCIATES

LEGISLATIVE REPORT

KEDA

JANUARY 29, 2021

OVERVIEW

Another week is in the books as the session calendar turns to February. The first three weeks of session offered an extraordinary amount of activity beyond anything seen in recent memory. To date, almost 300 bills have been introduced with a couple hundred more on the way. Committees continue to hit the ground running with dozens of bill hearings taking place. Most remarkably, Governor Kelly has already signed the first 2021 bill into law. SB 14, which extends the Emergency Management legislation, was passed last week by the House and Senate. Moreover, the House and Senate have both approved a proposed constitutional amendment related to abortion with the required 2/3 majorities. The proposed constitutional amendment, known as HCR 5003, will appear on the August 2022 ballot.

Despite the early progress, the flavor of the session remains focusing on the highest priority items. Other issues may or may not receive attention in the meantime as long as the Legislature is meeting. The only remaining item that is constitutionally required is the creation and approval of the state budget. The budget will begin to be pieced together by the House and Senate budget committees next week.

Governor Signs Kansas Emergency Management Bill

The Legislature passed and the Governor signed SB14, which is the extension and ratification of the state of disaster emergency legislation that was passed during the special session in June and would sunset on January 26, 2021. The bill would extend the provisions until March 31, 2021. Included in this legislation was telemedicine guidelines, business and health care liability provisions, emergency licensure by BOHA and temporary licenses for health care workers, restriction on the Governor regarding shutting down businesses, and the allowance of to go alcohol drinks.

University Engineering Initiative Act

The University Engineering Initiative Act (UEIA) will sunset in 2021. 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 University of Kansas and Wichita State University to invest in their engineering programs. In turn, the three schools must increase the number of engineering graduates each year to a target by the tenth year. The bill will be heard in Appropriations the on Tuesday, February 2.

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

HB2097 was heard Monday in House Commerce and will be worked Tuesday. The bill would decouple the requirement of participating in the Kansas industrial training, Kansas industrial retraining in order to receive HPIP credits. The companion Senate Bill is SB65, and it will be heard in Senate Commerce on Wednesday.

On Thursday, 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 will be heard on Monday in Senate Commerce.

HPIP Transfer of Credits Bill Introduced

The Kansas Department of Commerce introduced HB2171, which would allow for transferability of unused HPIP credits. There is a Senate companion, SB91. 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. The credit also is required to meet additional requirements of the bill. Hearings have not been set for the House or Senate bill.

Rural Housing Incentive District

SB90 and HB2170 would amending 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. The bills are a part of the Kansas Department of Commerce legislative agenda. No hearings have been set.

Licensure Bill

Licensure issues will engender plenty of discussion under the dome. The Licensure Reciprocity Bill is HB 2066 and will be worked this week in 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. There are expected to be many amendments to be added to the bill in Committee.

Marketplace Facilitator Bill to Be Heard

SB50 will be heard in Senate Assessment and Taxation on Wednesday. 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. HB2173 is a similar bill, with a different date of implementation for the 911 fees.

Property Tax Bill Heard in House Taxation

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. Final action is expected in House Taxation Committee on Tuesday.

Links to House and Senate Calendars

http://kslegislature.org/li/b2021_22/chamber/house/calendar/2021/1/
http://kslegislature.org/li/b2021_22/chamber/senate/calendar/2021/1/

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/>

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