



LEGISLATIVE REPORT

KEDA

MARCH 11, 2022

OVERVIEW

As the sports world prepares for March Madness, Topeka is preparing for its own version as the legislative calendar consists of critical deadlines for legislation in the process. Next week is the last week most committees will meet, providing an urgent environment to finish hearings and recommend bills out of committee. Most bills must be passed by the second chamber by March 24 while the last week of the month is reserved for conference committees to reconcile any differences between House and Senate versions.

The intense schedule of the next three weeks is interesting enough while many controversial issues are expected to come to a head before the April recess. There is not consensus on whether the state food sales tax rate should be eliminated completely or reduced to some degree, or the specific definition of food that should apply. Several proposed constitutional amendments, particularly on the Senate side, make headlines as one aims to alter the future of tax policy enactment while two others would change how state supreme court justices are appointed. Redistricting maps for state House, state Senate and State Board of Education districts are surfacing while House and Senate continue to piece their budget bill together.

Rural Opportunity Zones and Child Care Tax Credits

HB2377, which began its life as an extension on the rural opportunity zone sunset and additional benefits to individuals who move into rural areas, was amended on the Senate floor by Minority Leader Dinah Sykes to include the expansion of the childcare taxpayer credit. The amendment would allow any income or privilege taxpayer to claim the child day care services 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. Since it was added to a House bill, the House can except the change or send it to conference. There is an overview of the bill scheduled in the original House committee on Monday.

Sales Exemptions and Tax Credits

HB2711 will be worked in House Taxation this week. The bill 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%. Each year the calculations would need to be made for the highway fund. HB2394 which would reinstate the research and development tax credit for small businesses will also be worked in House Taxation on Monday.

Housing Bills

The House Taxation Committee will hear SB282 on Wednesday. SB282 now has the Kansas Housing Investor Credit Act and the Kansas Affordable Housing Tax Credit act in it, which were SB375 and SB369.

Extension of COVID Liability Provisions

House Substitute for Substitute for SB 286 has been passed and is waiting for a decision on whether to concur with changes or send to conference. This is the bill that is continuing the governmental response to the COVID-19 pandemic in Kansas by extending the expanded use of telemedicine, the suspension of certain requirements related to medical care facilities and immunity from civil liability for certain healthcare providers, certain persons conducting business in this state and covered facilities for COVID-19 claims until January 20, 2023.

SCR1620

Senate Concurrent Resolution (SCR) 1620, was voted out of the Senate Committee on Assessment and Taxation. SCR 1620 is a proposed constitutional amendment that aims to stipulate new state taxes and increases to existing tax rates shall require a 2/3 majority of the House and Senate instead of a simple majority like regular legislation. This proposed constitutional amendment must be approved by the House and Senate with a 2/3 majority this session to have the amendment placed on the ballot during the November 2022 general election. To date, the House has not considered such a proposal this session.

Budget

The committees of the House Appropriations and Senate Ways and Means Committees have begun meeting to finalize budgets to send to their respective chambers. There are many budget discussions expected in the next couple of weeks with a preliminary budget expected to pass before first adjournment.

Protect Home-based Work Act

SB 505 would create the Protect Home-based Work Act with a stated purpose of promoting entrepreneurship and removing barriers to remote jobs by establishing statewide protections for home-based work. SB 505 outlines what a zoning ordinance, resolution, or regulation could not require. The bill will be heard in Senate Commerce on Monday.

Rural Remote Worker Incentive Act

HB 2623 would enact the Rural Remote Worker Incentive Act. An expanding or new business that created a minimum of five net new remote jobs in rural areas of the state could apply to the Secretary of Commerce for a cash incentive payment of \$4,000 per net new rural remote job created. A "rural area" would be defined as a city with a population of 60,000 or less located in a county with a population of 80,000 or less, or a county with a population of 40,000 or less. The bill would include several other definitions, requirements for the incentives, and would create the Rural Remote Worker Incentive Fund. The total amount of cash incentive payments out of the fund would be limited to \$600,000. The bill is in the House Appropriations Committee.

Next Week

Below is a link to the calendars: http://www.kslegislature.org/li/b2021_22/chamber/calendars/

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