



LEGISLATIVE REPORT

KEDA

MARCH 12, 2021

OVERVIEW

The second half of the 2021 Legislative Session is underway. Legislators returned to Topeka on Wednesday to kick off an intense two and a half weeks of committee meetings, dedicated to reviewing and debating bills that were passed by the opposite house last month. The last week of March and first week of April are dedicated to floor debates and conference committees, aimed at wrapping up the session's business. The regular session is expected to conclude on April 9.

Though over 700 bills have been introduced this session, the balance of the session is designed to focus on the bills which have already passed one chamber. It is likely to see policy such as tax reform, education choice and sports wagering discussed while the House and Senate continue compiling their budget.

COVID Business Liability

SB283 would extend the business liability provision for the COVID-19 response and reopen for business liability protection act to apply to actions accruing on or after March 12, 2020. This bill would extend the provisions until March 31, 2022 for both the business and health care liability provisions. SB283 will be heard in House Judiciary on March 18.

Child Care Tax Credit

SB263 and HB2414 are childcare tax credit bills that were sent to Taxation Committees. These bills would expand what taxpayers can claim the 50.0 percent child day care assistance tax credit. The bills would also allow individual income taxpayers to claim this tax credit and increases the tax credit to 50.0 percent for taxpayers that provide facilities and necessary equipment for a child day care services after the initial year or if the taxpayer pays for or locates child day care services for their employees beginning in tax year 2021.

Licensure Bill

The Licensure Reciprocity bill, HB2066, was heard and passed out of the Senate Federal and State Affairs Committee without any amendments this week. 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.

HB2431 Rural Opportunity Zone

Expanding the rural opportunity zone program by changing the definition of rural opportunity zone, expanding eligibility for program participants, adding down payment assistance as a benefit under such program, providing for a two-track program and establishing a new rural community building program option.

KIT and KIR HPIP Decoupling

HB2097 has been sent to the Senate Commerce Committee. The companion Senate bill, SB65 is being heard in House Commerce on Wednesday of next week. The bill would decouple the requirement of participating in the Kansas industrial training, Kansas industrial retraining in order to receive HPIP credits.

Star Bonds

SB124 will be heard in the House Commerce Committee on Tuesday of next week. 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 for five years.

Angel Investor Tax Credit

HB2045 was referred to the Senate Commerce Committee. The bill 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, will be heard in House Commerce on Wednesday of next week.

HPIP Transfer of Credits Bill

SB91 will be heard Wednesday in House Commerce. The bill 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.

Kansas Promise Scholarship Act

HB2287 will be worked by the House on Monday. The bill would establish the Kansas promise scholarship act to provide scholarships to students who attend postsecondary educational programs that correspond to high-need career fields.

Medicaid Expansion

No movement has occurred this week on any Medicaid expansion bills.

Property Tax Bill

SB13 was concurred by the Senate to the House changes. The bill will now go to the Governor. 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.

Unemployment Issues

HB2196 will be heard and worked all next week in the Senate Commerce Committee. The bill Substitute for HB 2196 by Commerce, Labor and Economic Development would change provisions of the employment security law including creation of the unemployment compensation modernization and improvement council, development of a new unemployment insurance information technology system, provision of tax information to claimants, publication of trust fund data, the maximum benefit period, the charging of employer accounts for benefits paid, employer contribution rate determination and schedules, abolishment of the employment security interest assessment fund, crediting of employer accounts for fraudulent or erroneous payments, appropriation of federal COVID-19 moneys to the unemployment insurance trust fund, transfers from the state

general fund to the unemployment insurance trust fund for improper benefit payments, emergency expansion of the employment security board of review, providing for the my reemployment plan program and workforce training program availability to claimants, changes to the shared work compensation program and other unemployment trust fund provisions.

University Engineering Initiative Act

The University Engineering Initiative Act (UEIA) extension, HB2101, is expected to have a hearing in Senate Ways and Means the week of March 22. The program is administered by the Kansas Department of Commerce and Board of the Regents and provides \$10.5M each year from the Lottery Act Fund that is evenly split by Kansas State University, Wichita State University and Kansas University. The program also requires matching funds.

Marketplace Facilitator Bill

SB50, the marketplace facilitator bill, was passed out of the Senate by a vote of 35-3. The bill has an April 1, 2022 implementation date for the prepaid wireless 911 fees. 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 is waiting action of the legislature. The House and Senate have 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.

Links to House and Senate Calendars

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

Audio and visual link <http://kslegislature.org/li/>

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