



# LEGISLATIVE REPORT

KEDA

MARCH 19, 2021

## OVERVIEW

The final weeks of regular session are closing in after another busy week of committee meetings. Next week is the final week of regular committee meetings with 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.

The House and Senate also kept busy on the floor debating bills that generated lengthy discussion. The House passed a bill that directs school districts to provide an in-person classroom setting by the end of the month while the Senate debated and passed its budget.

The remainder of the month is expected to see more education policy discussion, in addition to sports wagering and medical marijuana. The House plans to debate its budget soon where it will then be compared against the Senate's in conference committee.

### **KIT and KIR HPIP Decoupling**

HB2097 will be heard in Senate Commerce Committee on March 23. The companion Senate bill, SB65 was heard in House Commerce on Wednesday. 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 was heard in the House Commerce Committee on Tuesday. 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 will be heard Wednesday, March 24 in 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, was heard in House Commerce on Wednesday.

## **Rural Housing Incentive District**

SB90 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 heard in House Commerce this week.

## **HB2431 Rural Opportunity Zone**

HB2431 was heard in Financial Institutions and Rural Development. The bill would expand the rural opportunity zone program by changing the definition of rural opportunity zone, expand eligibility for program participants, add down payment assistance as a benefit under such program, provide for a two-track program and establish a new rural community building program option.

## **HPIP Transfer of Credits Bill**

SB91 was 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.

## **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.

## **University Engineering Initiative Act**

The University Engineering Initiative Act (UEIA) extension, HB2101, will 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.

## **R&D Bill**

HB2394 would increase the amount of the research and development tax credit, expanding eligibility beyond corporate taxpayers and permitting transfer of the credit. The bill has not had a hearing in the House Taxation Committee.

## **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 was heard in House Judiciary on March 18.

## **Licensure Bill**

The Licensure Reciprocity bill, HB2066, was passed by the Senate 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.

## **Property Tax Bill**

SB13 has been delivered 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 was heard this week and will be worked early 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.

### **Child Care Tax Credit**

SB263 and HB2414 are childcare tax credit bills that were sent to Taxation Committees. HB2414 will be heard on Thursday, March 24 and SB263 will be heard Monday, March 22. 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.

### **Committees Next Week**

House Utilities will have informational hearing on Power Purchase Agreement with Renewable Energy Suppliers and Kansas Renewable Energy Update. They will also have a presentation on the Wichita earthquakes.

The Senate Utilities Committee will hear SB279, which would impose certain requirements on wind turbine siting, They will also be having a presentation on "Ratepayer Perspective on Electric Rates".

### **Links to House and Senate Calendars**

[http://kslegislature.org/li/b2021\\_22/chamber/calendars/](http://kslegislature.org/li/b2021_22/chamber/calendars/)

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

Sandy Braden, President, Braden Heidner Lowe & Associates

Email: [sandy@bhlandassociates.com](mailto:sandy@bhlandassociates.com)

Office: 785-233-4512