



LEGISLATIVE REPORT

KEDA

MARCH 19, 2022

OVERVIEW

March Madness has reached Topeka as most committees wrapped up their business for the year. Committees collectively recommended dozens of bills to move forward in the process while hundreds of other bills not receiving action will effectively be lost. There are just two weeks left before the April break, with next week planned for debates on the House and Senate floor and the final week of the month reserved for conference committees to reconcile differences between House and Senate versions.

Despite the committee work, the Senate and House kept busy on the floor debating bills. The Senate debated and passed its mega budget bill while the House prepares for its budget debate next week. The Senate also passed a redistricting map for state Senate districts while it is expected the House will approve their map next week. On the tax side, the House Committee on Taxation recommended a bill that is assumed to be the House's attempt to reduce the state sales tax on food.

Rural Opportunity Zones and Child Care Tax Credits

HB2237, 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. No further action on this bill after being passed by the Senate on March 7.

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%. The percentage that goes to highway funding was adjusted to accommodate loss of sales tax revenue.

HB2394 which would reinstate the research and development tax credit for small businesses was passed out of the House Taxation on Monday. The fate of all tax bills in the House and Senate is yet to be determined.

The Senate Assessment and Taxation Committee had a marathon day on Thursday. One outcome was the defeat of the bill that would eliminate tax credits for renewable energy sources -twice. More to come on taxes.

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. No action was taken on this bill.

Extension of COVID Liability Provisions

House Substitute for Substitute for SB 286 has been passed and has been sent 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.

Judicial Selection

The Senate Judiciary Committee heard two constitutional amendments regarding the way Supreme Court Justices are selected in Kansas. SCR1621 would allow the governor to appoint supreme court justices and the senate would confirm. SCR1622 would allow for statewide, partisan elections. Both were recommended to pass out of the Committee.

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.

General Issues

The Senate will work SB484 on Monday. This bill would require a student athletic team only include members who are of the same biological sex unless designate as coed.

Monday, the Senate Judiciary Committee had a hearing on SB541, which would include orders and actions by public officials relating to vaccine passports, face mask mandates, gathering limitations, business restrictions, and religious gathering limitations. This bill has been voted out of Committee.

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 was heard in Senate Commerce Committee 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

Link to the calendars: http://www.kslegislature.org/li/b2021_22/chamber/calendars/

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