



LEGISLATIVE REPORT

KEDA

MARCH 26, 2021

OVERVIEW

The second half of the 2021 Regular Session is on the downhill slide. This week was pretty much the last week for committees to meet as they wrap up business on lingering issues. Next week, the Senate and House plan to spend each day debating and passing bills while the first week of April is reserved for conference committees. By the end of regular session on April 9, most pending legislation that has not been resolved will be pushed to next year, save for a handful of bills that could see action during the veto session in May.

Sports wagering, education policy and funding, medical marijuana, tax policy and the state budget promise to gain attention next week. The Senate has already passed its budget bill while the House is poised to consider its version in the coming days. Both chambers hope to push forward tax relief, though it will take time to reconcile the different approaches. There is a desire to create legal platforms for sports wagering, though other gaming issues complicate the process.

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 passed out of House Judiciary this week.

Child Care Tax Credit

HB2414 was passed out of House Taxation on Thursday. The bill 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.

KIT and KIR HPIP Decoupling and HPIP Transfer of Credits

SB65 was passed by the House by a vote of 121-1. The bill would decouple the requirement of participating in the Kansas industrial training, Kansas industrial retraining in order to receive HPIP credits. SB91 was added to the bill. SB91 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 bill now goes back to the Senate to concur with House changes.

Star Bonds

SB124 passed out of 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

SB66 is 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. SB66 was passed by the House by a vote of 109-12.

Rural Housing Incentive District

SB90 and 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 passed by the House vote of 105-17.

Liability Protection for Businesses

SB91 now has the contents of HB2442 in it and was voted out of House Commerce Committee. SB91 now provides liability protection for businesses, municipalities and educational institutions that participate in high school work-based learning programs and providing that schools are responsible for injuries to students participating in such programs.

Governor's ERO 48

Governor Kelly's ERO 48 is waiting action of the legislature and should be acted on next week. 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.

Licensure Bill

The Licensure Reciprocity bill, HB2066, will be reviewed in conference and a couple of technical amendments are expected. 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.

University Engineering Initiative Act

The University Engineering Initiative Act (UEIA) extension, HB2101, had a hearing in Senate Ways and Means and was passed out of the Committee. 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.

Vaccine Bill

SB213, which prohibits an employer from taking any adverse employment against an employee because of the employee's vaccination status, was added to SB212 and voted out of the Senate Commerce Committee. Senator Mark Steffen, MD (R-Hutchinson), who introduced the bill, said the bill is intended to protect employees and the COVID-19 vaccination is still experimental. The Kansas Chamber of Commerce opposes the bill noting this is no different from existing employer decisions and is best to allow the current business environment to continue.

Medicaid Expansion

No movement has occurred on any Medicaid expansion bills.

Medical Marijuana

The House Federal & State Affairs Committee spent several days tackling its Medical Marijuana Bill (HB 2184). HB 2184, as introduced, calls for multi-agency oversight where KDHE would register patients, the Department of Agriculture oversees growers and laboratories, and the Alcohol and Beverage Control and Department of Revenue would license dispensaries. The bill provides a list of at least twenty-two conditions/diseases that qualify for treatment and the patient can keep up to a 90-day supply of medical marijuana. The committee spent three days reviewing amendments planned to be offered by committee before considering action. Amendments varied from minor clarifications to substantive changes such as changes in regulatory oversight and supply limits. One amendment intended to be offered, proposed by the Kansas Chamber, ensures that the act will not force an employer to accommodate the use of medical marijuana or prohibit the employer from drug testing and/or establishing a drug free policy. However, by the end of the third meeting, relatively little progress had been made and the chair noted work on the bill may be continued next week.

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 passed out of the Senate Commerce Committee. The bill Senate 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.

SB208 Hearing Canceled

SB208, which would create the fairness in women's sports act to require that female student athletic teams only include members who are biologically female, was passed by the Senate. This is a bill that is being seen nationwide. The vote was 24-10. The House Education Committee was going to hear the bill this week, but it was canceled.

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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