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Kansas Veto Session Report

The Kansas Legislature adjourned Sine Die just before 5:00pm last Friday. The two-day veto session was just enough time for gubernatorial veto overrides and finishing up conference committee reports left over after first adjournment. Despite 2025 going down as one of the quickest legislative sessions in recent memory, there was an overall sense of bipartisan work accomplished. Barring any vetoes of what was approved last week, lawmakers passed over 130 bills into law this year.

Larger Republican supermajorities allowed the Legislature to successfully override 14 out of Governor Kelly's 18 vetoes this legislative session. A major override was on [Senate Bill 269](#) that will gradually transition the state to a **single 4% income tax rate**. Other overrides included bills on religious freedom protections for adoptive and foster parents, child support requirements from conception, Medicaid continuous eligibility, restrictions on federal election funding, and reducing regulatory hurdles for new businesses.

After reversing its position, the House successfully overrode the governor's veto of 15 budget items in [Senate Bill 125](#), just one day after falling two votes short of the required two-thirds majority. The bundle of budget overrides includes restoration of funding for pregnancy awareness, a children's shelter, interpreter services for the deaf, and research on cerebral palsy and unmanned aircraft systems. Some lawmakers were critical of bundling multiple vetoed items together for a single vote rather than considering each individually. The Senate had previously used a similar bundling approach to override all 30 line-item budget vetoes in one vote.

Two other tax policy bills are heading to the governor's desk this week. [House Bill 2231](#) will modify the way **multistate businesses apportion** their income, moving to a single sales factor. The second bill provides a sales tax exemption for qualified **data centers** investing in Kansas. [Senate Bill 98](#) offers 20 years of sales tax exemptions to data centers that invest at least \$250 million, maintain 20 employees for 2 years and are built within 10 years of the Dept of Commerce authorizing the exemptions. Under the legislation data centers are required to purchase electricity for 10 years from local utility,

electric generation equipment is excluded from the exemptions and discounted electric rates are prohibited.

[House Bill 2289](#) amends the **Kansas Affordable Housing Tax Credit** and the **Kansas Housing Investor Tax Credit** programs and incrementally discontinues the Kansas Affordable Housing Tax Credit. Specifically, the bill discontinues the 4% Kansas Affordable Housing Tax Credit match after 2025 and limits the 9% match for qualified developments federal credit to \$8.8 million annually beginning in 2026. The total amount of credits awarded for either match amount would be limited to \$25 million for the 2025 plan year.

After vetoing a reform bill last year, the Governor negotiated with lawmakers [House Bill 2045](#), which establishes the **Kansas Office of Early Childhood**, updates laws **regulating child care centers and in home child care**, and updates staffing and professional development training requirements. Additionally, the bill transfers KDHE statutes related to Lexie's Law to the Office of Early Childhood, including inspections of all child care facilities, licensing, and health, safety, and supervision regulations. The most common raised by lawmakers was the immunization requirement not applying if parents submit a written statement that immunizations violate a sincerely held religious belief.

Hours before adjournment, House and Senate Leadership renewed their efforts to limit **property tax** increases in the state. The Taxation Conference Committee met and agreed to two measures, neither of which ultimately passed. The first, [Senate Bill 82](#), would establish the **ASTRA fund** which would incentivize local governments to stay below a certain spending threshold. The bill would retain the current revenue neutral rate but require an 80% positive vote by governing body if they exceed the threshold. The bill passed the House on a vote of 74-48 but was not taken up by the Senate before they adjourned.

The second item the Taxation Conference Committee agreed to was [Senate Concurrent Resolution 1603](#). The agreement included the House passed language from [House Concurrent Resolution 5011](#), a **Constitutional Amendment** that would enact a 6-year rolling average for property tax. Passage of this measure would require a 2/3 majority vote in both chambers. Neither the House or Senate acted upon the bill before they adjourned.

The Attorney General supported [House Bill 2228](#), was vetoed by the Governor and was not taken up by the House for a veto override. This bill requires **local government contingency fee contracts** to be voted on in a public meeting and the Attorney General to approve every contract before it can be enforced. Local governments were concerned that there was not a review or appeal process in place if the AG did not approve the contract. Several local cities formally asked the Governor to Veto the bill.

[Senate Bill 237](#) was approved by the House and Senate during veto session. This agreement authorizes Kansas law enforcement officers to conduct investigations of

violations of the **Scrap Metal Act**. Before this legislation, only the Attorney General's office was allowed to investigate these violations. The bill now goes to the Governor for her consideration.

The **film tax credit bill** stalled during Veto Session but can be revisited during the 2026 Session. [Senate Bill 52](#) passed the Senate on a vote of [33 to 7](#), but the measure was not taken up by the full House. This bill re-establishes the Kansas film industry incentives through a Kansas Film and Digital Media Production Development Program. The bill has a \$5 million cap on the program and limits the maximum credit per taxpayer to \$1 million.

Looking ahead, the Legislative Coordinating Council will meet in June to set and announce the interim committee schedule, with most beginning in late summer/early fall. We'll also see the Governor's race heat up with more candidate announcements expected any day. While not an election year for the House or Senate, campaigning and fundraising for 2026 state office elections begins now.