



# **Bright and Carpenter Consulting, Inc.**

825 S. Kansas Avenue, Suite 502C Topeka, KS 66612, [www.brightcarpenter.com](http://www.brightcarpenter.com)

## **Weekly Legislative Report**

### **March 22-26, 2021**

Today is the last day for non-exempt committees to meet for the 2021 Kansas Legislative Session. It was a frenzy of a week as committee chairs churned through bills and worked quickly to wrap up their business for the year. Next week, the House and Senate will debate bills on the floor Monday through Wednesday, followed by a five-day weekend and returning for few days of conference committees leading up to first adjournment currently scheduled for April 9. Below is a brief outline of this week's activities.

#### **Kansas Emergency Management Powers (KEMA)**

Probably the biggest news from this week is that Governor Laura Kelly signed [Senate Bill 40](#) into law on Wednesday, which extends the current emergency declaration through May 28 and revokes all of her current executive orders on March 31.

The bill places strong limits on the administration's powers during a state declared emergency. The Legislature will have oversight of emergency extensions, local school boards over school closings, and county commissioners over health orders proposed by local health directors.

In an announcement made this week, the Governor plans to reissue several new executive orders on April 1 that will remain in effect until the emergency declaration expires at the end of May...or until the Legislature says so.

#### **Vaccine Requirements and Liability**

The Senate Public Health and Welfare Committee held a hearing on [Senate Bill 212](#) on Monday, which would prohibit the secretary of health and environment from requiring any new immunizations to attend a childcare facility or school unless approved by the Legislature.

Senator Mark Steffen (R-Hutchinson), who is a physician and serves on the Senate Health Committee, testified in support of SB 212 while Representative John Eplee (R-Atchison), who is also a physician and serves on the House Health Committee, strongly opposed the legislation. The bill ultimately passed out of committee on Thursday, but not before lawmakers significantly expanded what was already a controversial bill.

The committee approved adding the contents of [Senate Bill 213](#), which would prohibit employers from taking adverse actions against an employee based on their vaccination status. They also added language providing broad legal immunity to employers whose unvaccinated employees infect someone else on the premises.

The Kansas Chamber has already announced they will be opposing SB 212, arguing it infringes upon the rights of employers to make decisions they feel are safe and necessary for their business.

### **Business Covid Liability**

House Judiciary passed out [SB 283](#) on Wednesday. In addition to other provisions around telemedicine and temporary licensure for health care workers, this bill extends the COVID liability for healthcare and businesses to March 31, 2022. The House is expected to debate the bill next week and if it passes the Senate will likely concur.

### **Unemployment Insurance Modernization**

After months of hard work between business groups, legislative leadership, and chairmen of both commerce committees, [House Bill 2196](#) advanced another step in the legislative process this week. The bill modernizes and reforms an outdated Unemployment Insurance (UI) system in Kansas after it crumbled under millions of dollars paid in fraudulent claims as a result of widespread identity theft during the pandemic.

The Senate Commerce Committee spent two days working through more than a handful of amendments before passing out the bill on Wednesday, which is on its way to the Senate floor for debate on Tuesday. Most significant amendment to the bill is an allocation of \$450 million of federal relief dollars received by the state toward replenishing the depleted UI trust fund. Stakeholders say that a few more tweaks are needed to the legislation but feel it is a solid work product. HB 2196 already passed the House earlier this month.

### **Economic Development**

As the legislature moved toward first adjournment, there was considerable efforts made towards advancing several economic development bills this week. Below is a quick recap of where the issues stand:

[SB 124](#)- Renews and updates the STAR Bonds program. The House Commerce Committee worked the bill on Wednesday and added several amendments including provisions aimed at providing more transparency reporting and better visitor tracking mechanism. In addition, an amendment narrowed the Senate's conflict of interest amendment prohibiting any lawmaker from benefitting from a STAR Bonds districts. The bill now goes to the full House for debate likely next week.

[HB 2328](#) & [SB 282](#)-Aviation Tax Credit bill. House Commerce Committee held a hearing on and worked HB 2328. No amendments were made to the bill and it advances to the full House for debate next week.

[SB 66](#) Angel Investor Tax Credit has passed both the Senate and House and is on its way to the governor.

[\*\*SB 65\*\*](#)-Decouples KIT/KIR from HPIP has passed both the Senate and House and will next be considered by a conference committee. SB 91, addresses the transferability of high-performance incentive fund tax credits, was added to SB 65.

[\*\*SB 90\*\*](#)-Amends the Kansas Rural Housing Incentive District act amends to permit bond funding for vertical residential renovation of older buildings in central business districts. The bill will now be sent to a conference committee.

### **Workforce Development**

Efforts are underway to provide additional training and resources to meet the skill needs of Kansas employer and advance.

This week the Senate amended their version of the Kansas Promise Scholarship Act, which looks to increase student enrollment for high need career fields and work-based learning, was worked in [\*\*HB 2287\*\*](#). This version is almost identical to what the Governor vetoed last year, but it appears this year's version is more palatable to the minority party. It is expected it will be debated next week by the full Senate next week.

House Commerce Committee worked HB 2442, which address providing 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. To fast track the bill, its contents were inserted into the shell bill [\*\*SB 91\*\*](#) and now heads to the House floor.

Finally, House Commerce Committee passed out [\*\*HB 2443\*\*](#), which permanently puts in place a hiring preference for the state to hire persons with disability. There was a committee amendment made to rename it the Kathy Lobb Act after a longtime advocate for disability employment.

### **Tax Policy Issues**

The House Taxation Committee heard a bill on Tuesday that would give private health clubs and gyms the same property tax exemption that not-for-profit health centers receive. The legislation was supported by the Kansas Health and Fitness Association and Kansas Chamber. As expected, cities and counties spoke out in opposition during the hearing. They see [\*\*House Bill 2445\*\*](#) as another proposal that narrows the tax base and shifts the local property tax burden onto other taxpayers.

The House Taxation Committee passed [\*\*House Substitute for Senate Bill 50\*\*](#) on Tuesday after combining several pending proposals into one bill. SB 50 will require marketplace facilitators to collect and remit sales and transient guest taxes from transactions made in Kansas totaling more than \$100,000 a year as well as certain prepaid wireless 911 fees. Lawmakers added in the contents of [\*\*House Bill 2421\*\*](#), which decouples Kansas from several provisions in the federal Tax Cuts and Jobs Act of 2017. The bill also increases the individual standard deduction by \$500. An attempt to amend SB 50 to include a provision requiring employers to utilize the E-Verify system on all new hires failed for lack of support from the Chairman and other leaders on the committee.

The Senate unanimously approved a bundled property tax bill late Thursday, [Senate Substitute for House bill 2104](#). The bill would reauthorize the statewide school finance levy and amend law related to the list of eligible county appraisers, appraisal standards, Board of Tax Appeals (BOTA) administration, property valuation appeals, judicial review of property tax disputes, BOTA membership, and school district budget certification.

### **Legalizing Sports Wagering**

The battle for legalizing sports betting in Kansas continues. After the House Federal and State Affairs Committee approved their bill last Friday, they ended up reconsidering it on Monday due to concern about a last-minute amendment to cut the tax rate on slot machines.

The committee tried again and ultimately passed their version of sports wagering legislation on Wednesday. The bill is expected to be debated on the House floor next week. Stakeholders are still trying to negotiate a compromise between casinos, retailers, and dog and horse racetracks, as well as agree on the state tax rate placed on both in-person and online bets.

### **Payday Loan Reform**

The Senate Financial Institutions and Insurance Committee held a hearing on [Senate Bill 218](#) on Wednesday, a bill that makes several reforms to payday loans offered in Kansas. The bill would cap payday loan interest rates at 36% APR (current rate is 391%) and would allow installment payments over months rather than requiring the full loan to be paid off within 30 days.

The bill is backed by Kansans for Payday Loan Reform, a statewide coalition. The group and other proponents of the legislation argued that access to credit is critical and the bill gives struggling consumers a pathway out of debt.

The House Financial Institutions and Rural Development Committee heard a companion bill, [House Bill 2189](#), in February. Neither bill is expected to be worked this legislative session; however, negotiations between the parties are expected to take place this summer so that the parties can bring a compromise bill to the 2022 Legislature.

### **Opioid Settlement Legislation**

The Attorney General (AG) testified this week in both the House and Senate Committee on bills that address the settlement of the opioid lawsuits against pharmaceutical companies that manufactured the drugs. Kansas will receive several million dollars in the settlement. The bill proposes a board to oversee the distribution of funds that is proposed to go to addiction prevention and treatment. The bill also addresses the issue of future litigation by cities and counties, which the AG is concerned could hamper or stop the settlement that has been reached.

The House bill, [House Bill 2412](#), passed the House Judiciary Committee with an amendment that addresses municipal funds. The bill is expected to be worked on the House floor early next week.

## **Insurance Bills**

The Senate Financial Institutions and Insurance Committee heard and passed [Senate Bill 199](#) this week that provides for short-term, limited-duration health plans. The bill would amend the definition of short-term, limited-duration health plans to be plans with a policy period of less than 12 months with renewal or extension periods up to a maximum policy period of 36 months. The bill would also require insurance companies to disclose information to consumers regarding the Affordable Care Act requirements concerning preexisting conditions and minimum essential coverage.

The House passed [Senate Bill 37](#) on Thursday, which updates producer licensing statutes pertaining to appointment, examinations, fees, licensing, renewal dates, continuing education, suspension, revocation and denial of licensure and reinstatement. The bill passed the Senate last week, so it is now headed to the Governor's desk.

## **Occupational Licensing**

The occupational licensure bill, [House Bill 2066](#) has been sent to a House and Senate Conference Committee to work out the differences in the passed versions of the bill. The bill was originally introduced to shorten the time in which regulatory bodies are required to issue occupational credentials to military servicemembers and their spouses seeking to establish residency in Kansas. It has since been expanded to non-military prospective residents. The proponents state that this will make it easier and quicker for people to move to Kansas to work and spur economic development.

## **Legalizing Sports Wagering**

The battle for legalizing sports betting in Kansas continues. After the House Federal and State Affairs Committee approved their bill last Friday, they ended up reconsidering it on Monday due to concern about a last-minute amendment to cut the tax rate on slot machines.

The committee tried again and ultimately passed their version of sports wagering legislation on Wednesday. The bill is expected to be debated on the House floor next week. Stakeholders are still trying to negotiate a compromise between casinos, retailers, and dog and horse racetracks, as well as agree on the state tax rate placed on both in-person and online bets.

Three other gaming bills were introduced this week: [House Bill 2444](#) also dealing with sports wagering, [House Bill 2450](#) regarding iLottery, and [Senate Bill 262](#) authorizing a Sedgwick County revote on gaming machines at racetracks.

## **State Budget Recap**

The House will likely debate their budget bill early next week. Once the House passes their bill, House and Senate negotiators can meet to work on an agreement before first adjournment.

The Senate Ways and Means Committee met on other budget related issues this week. They discussed extending the funding of the engineering initiative at Kansas State University, the University of Kansas, and Wichita State University. The program is designed to recruit, graduate, and employ engineering college students in Kansas.

The Senate budget committee also discussed a veteran home in northeast Kansas. The majority of the state's veterans live in that part of the state, but the current veteran homes are in south central or southwest Kansas. Veteran groups are in favor of building a long-term care facility in northeast Kansas.

While most other legislative committees have ended their work and won't meet next week, the budget committees are "exempt" committees and can continue to meet until the legislative session ends. Budget negotiations is the top priority once the House has passed their budget bill.