

2024

LEGISLATIVE & POLICY AGENDA



—CELEBRATING 100 YEARS—

KANSASCHAMBER

UNITED FOR BUSINESS

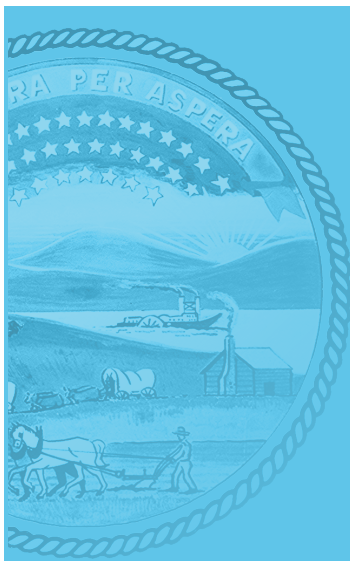
1924 - 2024

SAFEGUARDING OUR SYSTEM OF FREE, COMPETITIVE ENTERPRISE

2024 LEGISLATIVE AND POLICY AGENDA

TABLE OF CONTENTS

	Agenda Priorities	2
	Kansas Business At A Glance	3 & 4
	Taxation	5
	Education & Workforce Development	6
	Legal Reform	7
	Human Resource Issues	8
	Regulatory Affairs	9
	Innovation & Entrepreneurship	9
	Government Efficiency	10
	Energy & Environment	11
	Health Care	12
	Kansas Retail Council	13
	Kansas Manufacturing Council	14



THE MISSION OF THE KANSAS CHAMBER
OF COMMERCE IS TO CONTINUALLY
STRIVE TO IMPROVE THE ECONOMIC CLIMATE
FOR THE BENEFIT OF EVERY BUSINESS AND
CITIZEN AND TO SAFEGUARD OUR SYSTEM OF
FREE, COMPETITIVE ENTERPRISE.



5 TOP FIVE AGENDA PRIORITIES

The 2024 Legislative & Policy Agenda reflects the Kansas Chamber's efforts to reduce the cost of doing business in Kansas, create jobs and grow the state economy. Its top five priorities highlight key points of focus:

Reduce the Tax Burden

Tax revenues continue to push Kansas' annual receipts to record levels. After last year's veto by Gov. Laura Kelly, we encourage the Kansas Legislature to continue working toward improving our state's tax climate as states surrounding Kansas have taken steps to improve their economic competitiveness. Additionally, the Kansas Chamber supports adopting single-factor apportionment for corporate income taxpayers to reward capital investment in the state.

Adopt Legal Reform

Kansas has become the 18th best state for trial lawyers as the state's court system has eroded protections and expanded liability against businesses and individuals. The Kansas Legislature must adopt legal reform measures that improve the legal climate for businesses operating in Kansas.

Regulatory Reform

Whether it be an overreaching Executive branch, or local governments creating a patchwork of compliance rules city by city or county by county, having a sound regulatory climate is essential for businesses operating in the state. We will be advocating for several regulatory bills in 2024.

Work Comp Reform

Just like in 2011, the Kansas Chamber and other business organizations met with labor organizations during the summer to negotiate a comprehensive workers comp bill that addresses concerns from both sides. The Chamber will urge the Kansas Legislature to pass the resulting bill with no amendments.

Improve Energy Costs

Kansas ranks 10th in the U.S. for renewable energy production. However, this low-cost source of energy has not resulted in savings for Kansas ratepayers. In fact, it's quite the opposite. Kansas continues to be the highest energy cost state in the region, making manufacturing and production of goods and materials expensive. Kansas must improve its energy costs to be more competitive.

2024 LEGISLATIVE AND POLICY AGENDA

**KANSAS
BUSINESS
AT A GLANCE**

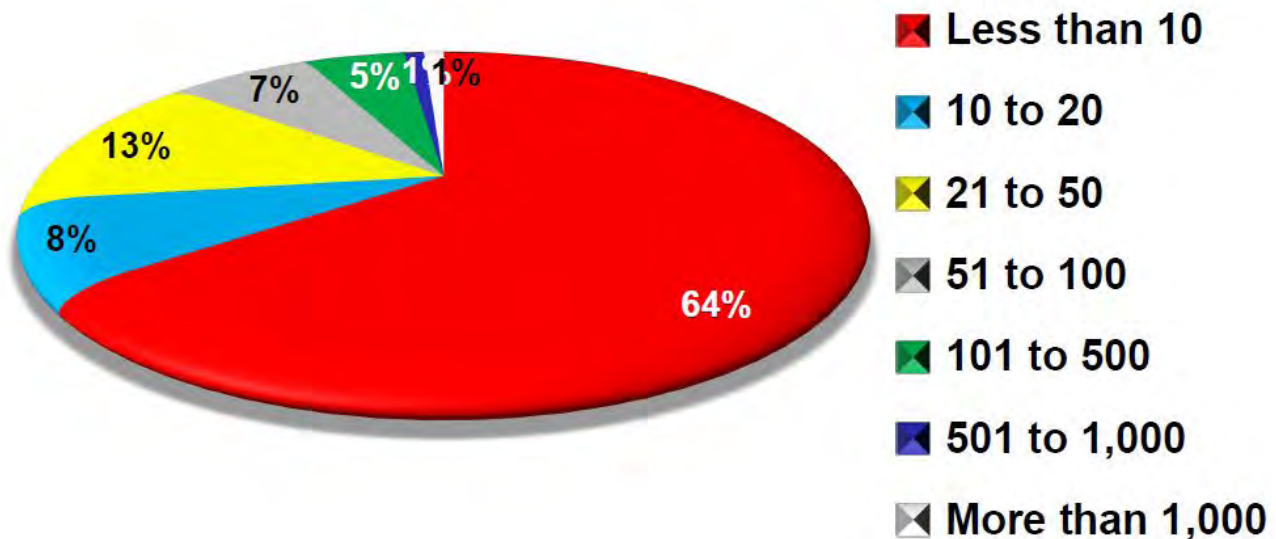
The Kansas Chamber commissions Cole Hargrave Snodgrass & Associates annually to survey 300 Kansas businesses that reflect the Kansas business community geographically as well as by industry makeup and number of employees. The issues identified by our state's business community in the Business Leaders Poll help lay the foundation for the **2024 Legislative Agenda**.

Most Important Issues Facing Kansas Businesses*



**Source: The Kansas Chamber's 2023 Business Leaders Poll*

Number of Employees in Businesses Polled*



Most Important to Profitability*

- Lower taxes on business: **49%**
- Manage health care costs: **28%**
- Reduce fuel/energy costs: **25%**
- Decrease regulations/mandates: **25%**
- Limit growth of government: **19%**
- Economic Incentives: **17%**
- Stop frivolous lawsuits/tort reform: **9%**
- Workers' compensation: **7%**
- Unemployment compensation: **2%**

OTHER POLL NOTES FROM KANSAS BUSINESS LEADERS*

- ▶ 51% believe an unsatisfactory workforce stems from lack of employee motivation.
- ▶ **55% do not believe the Kansas economy is on the right track.**
- ▶ 74% believe it would help the Kansas economy if state taxes were lowered.
- ▶ **65% do not believe Kansas has the best business climate when compared to other states.**
- ▶ 60% find job applicants don't have soft skills while 28% say applicants lack the needed tech skills.
- ▶ **70% believe too much is paid in taxes (state and local). Highest recorded in poll's history.**
- ▶ 25% believe government regulations and mandates have a major impact on a company's profitability.

2024 LEGISLATIVE AND POLICY AGENDA

TAXATION*

REDUCE TAXES, ENCOURAGE INVESTMENT AND GROWTH

The Kansas Chamber urges the legislature to reduce the cost of doing business, and will encourage efforts to:

- ▶ Use a portion of significant budget surplus for an overall rate reduction.
- ▶ Support a phased-in approach to move Kansas to the single-factor sales apportionment formula when determining corporate income tax liability.
- ▶ Reduce government spending instead of increasing the cost of doing business through tax increases.
- ▶ Oppose elimination of the High-Performance Incentive Program (HPIP) and reinstate the same qualifying investment thresholds for all Kansas counties.
- ▶ Oppose efforts to freeze or eliminate the Promoting Employment Across Kansas (PEAK) program.
- ▶ Oppose efforts which would subject professional services to sales tax.
- ▶ Support legislation which moves Kansas from a destination-based state to an origin-based state for the purposes of collecting sales tax on intrastate transactions.
- ▶ Oppose any proposal to redirect the current 0.4-cent sales tax dedicated to the State Highway Fund and support completion of the projects encompassed in the Comprehensive Highway Plan.

* Both a federal and state issue

Kansas' 2024 Business Tax Climate Index Rank



Source: Tax Foundation's 2024 State Business Tax Climate Index

What You Need to Know

The 2024 edition of the Tax Foundation's State Business Tax Climate Index found Kansas ranked 26, down from 25 in 2023. A rank of 1 is best, 50 is worst.

The drop in the state's ranking shows Kansas can't stand still. Other states are making changes to their state tax codes that make them more competitive. Kansas must act to be more competitive.

EDUCATION & WORKFORCE DEVELOPMENT

SUPPORT AN EXCELLENT EDUCATION SYSTEM WHICH PRODUCES A WELL-EDUCATED, WELL-TRAINED KANSAS WORKFORCE FOR TOMORROW'S BUSINESS NEEDS

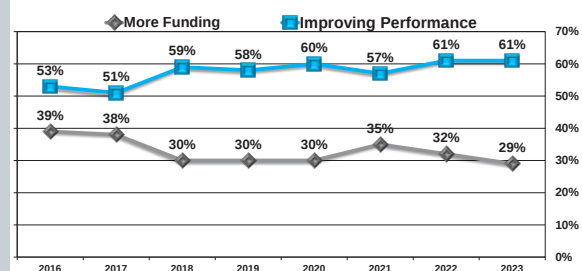
The Kansas Chamber supports increasing the quality of education for tomorrow's workforce and the efficient use of tax dollars through policies that:

- ▶ **Support state implementation of workforce pathway system to provide parents, students and agencies with data to better track program effectiveness and student outcomes through their education and career paths.**
- ▶ Support policies to make childcare more affordable and accessible for Kansas workers by relaxing overly restrictive staff-to-child ratios and increasing childcare capacity across age groups.
- ▶ Support a constitutional amendment for the democratically elected legislature to have exclusive authority to determine funding for schools in an effort to eliminate endless litigation regarding school funding.
- ▶ Support policies that promote coordination of resources and alignment of curriculum between K-12 and higher education institutions to ensure the workforce needs of businesses and career needs of students are met.
- ▶ Support efforts to offer parents and students a variety of educational choices regardless of their socio-economic status, and support efforts to create innovative school environments designed to maximize the educational experience for all students.
- ▶ Strengthen requirements to enhance in-classroom spending and eliminate inefficient spending.
- ▶ Support vigorous and dynamic Kansas-based primary and secondary education standards that focus on college and career readiness and ensure acquisition, retention and comprehension of an essential base of knowledge at every step of the educational

process toward a career suited to each student's interest and ability.

- ▶ Support efforts to attract and retain the best and brightest teachers for the benefit of our Kansas students through a system that rewards excellence in teaching and innovation.
- ▶ Support efforts to enhance computer science for K-12 students.
- ▶ Support realigning education funding to give a higher weighting of CTE for high-wage, high demand jobs.

More Important for Improving Education?



Source: The Kansas Chamber's 2023 Business Leaders Poll

What You Need to Know

Nearly 2/3 of Kansas business leaders say improving performance will impact education in the state more than additional funding.

This is the first time those wanting to improve performance is more than double those wanting more funding.

2024 LEGISLATIVE AND POLICY AGENDA

LEGAL REFORM

PROMOTE FAIRNESS, REDUCE LIABILITY

The Kansas Chamber supports efforts to improve the legal climate in Kansas by reducing incentives for litigation that disproportionately awards plaintiffs and will support legislative efforts to:

- ▶ **Support legislation that requires disclosure of third-party financing of litigation.**
- ▶ Support reinstating caps on non-economic damages.
- ▶ Support statutory preemption of local units of government from hiring outside counsel to initiate class action litigation unless approved by the Attorney General.
- ▶ Repeal provisions of the current collateral source rule that prevents juries from hearing evidence that some of Plaintiff's claimed damages have already been paid.
- ▶ Support amendments to the Code of Civil Procedure to enable assessment of attorney fees against the losing party in a lawsuit under appropriate circumstances.
- ▶ Support judicial selection reform measures that provide for a greater level of transparency, public input and accountability and encourage the legislature to construct a reasonable reform measure that addresses these objectives.
- ▶ Support legislation regarding admissibility of evidence of seat belt use.
- ▶ Support reform of Kansas law regarding awards of attorneys' fees against insurance carriers who contest coverage for loss under a policy that includes coverage for damage because of lightning, fire, tornado or hail.

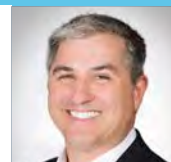


"The chamber I lead and serve is dedicated to eliminating obstacles that hinder business growth. By collaborating with the Kansas Chamber, we amplify our collective voice to advocate for businesses and ensure lawmakers don't increase business costs or implement unnecessary regulations."

Kim Randolph | Heartland Black Chamber of Commerce

"I support the Kansas Chamber's effort to remove barriers to help businesses succeed. The Chamber is a powerful advocate for businesses. With its support, we will continue to grow and thrive and solve problems that affect all Kansans."

Phil Clement | NextEra Energy Resources



HUMAN RESOURCE ISSUES*

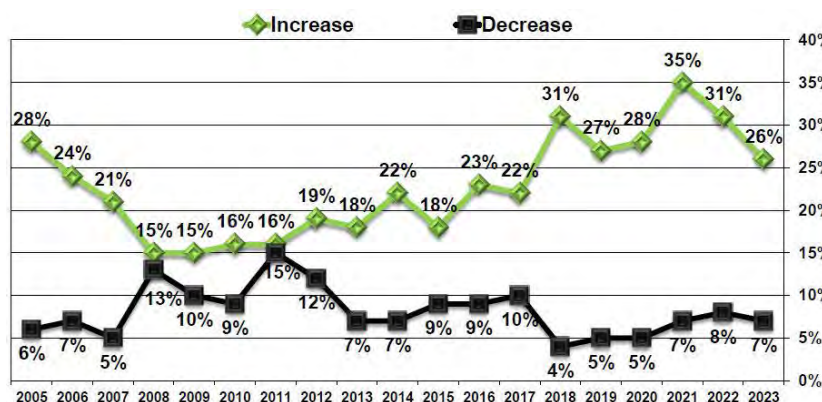
REDUCE COSTS TO PROMOTE GROWTH

The Kansas Chamber supports policies that promote fairness and protect employer costs and will:

- ▶ Support criminal justice reform efforts and programs that offer the opportunity for individuals with criminal records to re-enter the workforce.
- ▶ Support policies that maintain the integrity of the Employment Security Trust Fund, and accurately reflect the employer experience rating when determining contribution rates.
- ▶ Defend the workers' compensation system and the recent reforms with policies that fairly compensate workers legitimately injured performing duties for their jobs, while maintaining low costs for employers.
- ▶ Encourage federal resolution to immigration reform and oppose state legislation increasing penalties or threatening the business licenses of employers who have unintentionally hired illegal workers. In the event Congress again fails to address the immigration situation, support legislation allowing states to implement guest worker programs that address each state's particular workforce needs while protecting our borders from the criminal element.
- ▶ Maintain fair labor practices by opposing unfair advantages for union organizations.
- ▶ Oppose state-led efforts which put employers in conflict with federal discrimination laws.

** Both a federal and state issue*

Workforce Growth In The Next Year



Source: The Kansas Chamber's 2023 Business Leaders Poll

What You Need to Know



While nearly 2/3 of Kansas business leaders say they are optimistic about the future, only 26% say they will increase their workforce in the coming year. That's nearly four times more than those who say they likely will decrease their workforce in 2024.

REGULATORY AFFAIRS*

SUPPORT FREE ENTERPRISE, ENCOURAGE COMPETITION

The Kansas Chamber supports a regulatory climate that promotes a healthy business climate and instills regulatory certainty, through policies that:

- ▶ Support legislation prohibiting local governments from banning consumer merchandise and plastic containers.
- ▶ Support stronger legislative oversight of Executive branch rule and regulatory authority.
- ▶ Maintain a set of clear requirements in the regulatory process that instills confidence for businesses that follow the rules when seeking to do business in the state.
- ▶ Prevent imposition of burdensome state and federal regulations on business and industry.
- ▶ Encourage the least restrictive method of regulation that supports the goal of protecting the public without limiting competition.

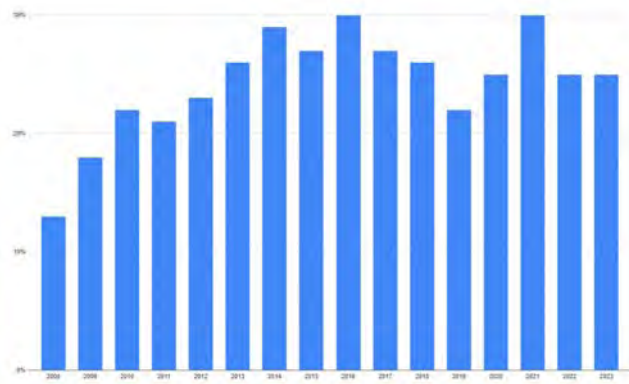
** Both a federal and state issue*

What You Need to Know

Twenty-five percent of Kansas business leaders believe government regulations and mandates are a top concern for a company's profitability. Overburdensome regulations can affect a business' operations, whether to expand or move, and thousands of other things that could sway a business to close or leave the state.

Concerns of Profitability in Kansas

Decreasing Regulations & Mandates 2008-2023



Source: The Kansas Chamber's 2023 Business Leaders Poll

INNOVATION & ENTREPRENEURSHIP

PROMOTE AND ENCOURAGE ENTREPRENEURSHIP AND CAPITAL INVESTMENT

The Kansas Chamber supports innovation and investment in start-up companies through policies that:

- ▶ Ensure financial barriers for business filings and start-up-related expenses are limited.
- ▶ Promote and expand small business development loans for Kansas start-ups through private institutions rather than the state.
- ▶ Minimize or eliminate barriers for transition of business ownership.
- ▶ Support continuation and expansion of Angel Investor Tax Credit program.

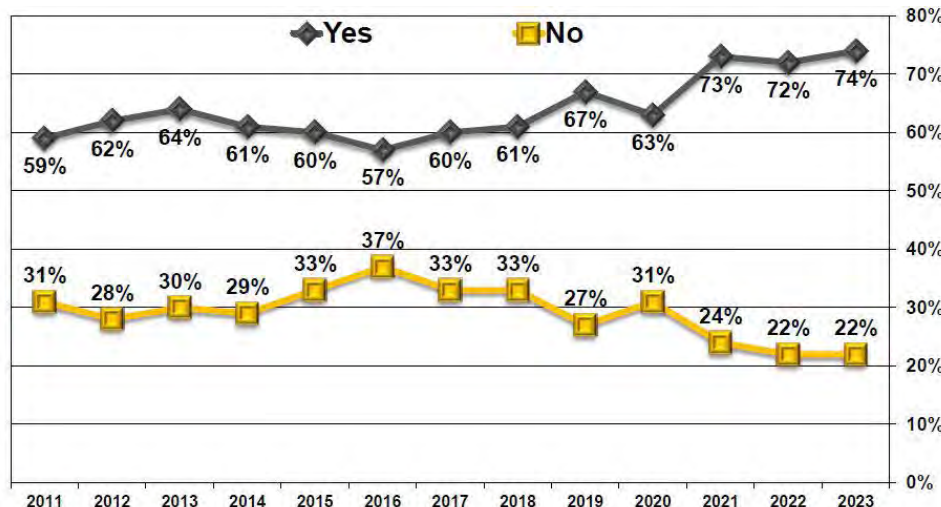
GOVERNMENT EFFICIENCY

CREATE AN ENVIRONMENT FOR JOB GROWTH

The Kansas Chamber encourages government reform aimed at lowering the overall cost of state government, so it is more affordable to Kansas businesses and residents through policies that:

- ▶ **Oppose government competition with private sector companies.**
- ▶ Promote adoption of “Lean Government” practices to transform the state into a more efficient enterprise.
- ▶ Support continued implementation of priority- or performance-based budgeting throughout all levels of state government.
- ▶ Support requirement of governor to submit existing resources budget to the legislature before proposing tax increases.
- ▶ Establish transparency and uniformity in budgeting for all levels of government.
- ▶ Support outsourcing state government functions to the private sector while maintaining needed services and lowering the cost of doing business in Kansas.
- ▶ Establish a framework to encourage and incentivize the realignment of state and local units of government.
- ▶ Support efforts to continue identifying strategies to reduce the state pension burden on Kansas taxpayers while maintaining actuarially sound funding levels.
- ▶ Oppose use of public funds to bring litigation in pursuit of more public funding.

Would it Help the Kansas Economy to Lower Taxes?



Source: The Kansas Chamber's 2023 Business Leaders Poll

What You Need to Know

For the last three years, more than 70% of Kansas business leaders believe tax cuts would be an economic boost. The business community has really moved strongly in this direction in the last four years.

2024 LEGISLATIVE AND POLICY AGENDA

ENERGY & ENVIRONMENT*

PROMOTE MARKET-DRIVEN SOLUTIONS TO REDUCE ENERGY COSTS

The Kansas Chamber supports efforts to maintain a comprehensive energy policy that balances a diverse portfolio of energy sources and technologies, and will:

- ▶ Support policies that ensure reliable and available electric generation services from a diverse mix of energy fuel sources.
- ▶ Support equitable allocation of transmission and energy costs among regional ratepayers.
- ▶ Support efforts to achieve regionally-competitive electric rates and delivery costs as well as ensure uninterrupted service regardless of source.
- ▶ Support further review of modifications to the structure of the Kansas Corporation Commission and its appointment process to support the state goal of regionally competitive electric rates.
- ▶ Support implementation of recommendations from the legislative study on the competitiveness of Kansas energy rates to improve our state's electricity costs.
- ▶ Support policies that create equal competition among energy sources and technologies.
- ▶ Support incentives for businesses to voluntarily utilize energy more efficiently versus penalties and/or mandates.
- ▶ Oppose mandates and policies that increase business costs when sourcing energy.
- ▶ Support efforts to limit or block state and federal regulations which overreach and impose undue expense and regulatory burdens on Kansas businesses and industries.
- ▶ Support review and reform of current rate-making policies and processes to ensure fairness and equity among ratepayer classes.
- ▶ Promote the development of market-driven energy technologies.

** Both a federal and state issue*

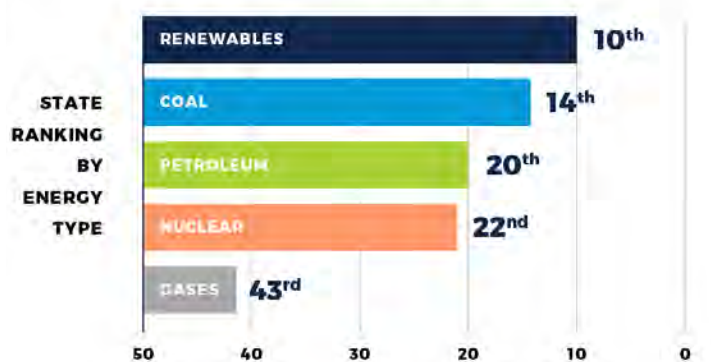
What You Need to Know

Kansas ranks 31st in the nation for the overall generation of energy resources. Broken down by the energy sector, Kansas is 10th in the nation for renewables, 14th for coal, 20th for petroleum, 22nd for nuclear, and 43rd for gases. Kansas is the largest producer of wind energy in the world. However, this low-cost source of energy has not resulted in overall energy savings for Kansas ratepayers.

Source: U.S. Energy Information Administration

Kansas Energy Production

Kansas: 31st in the Nation for Energy Generation



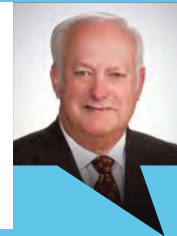


“Through its unwavering support, the Kansas Chamber empowers manufacturers throughout the state to thrive in the global marketplace, generate employment opportunities and contribute to the vitality of their communities.”

Tim Davis | Goodyear Tire & Rubber Co

“Economic competitiveness is essential for Kansas. INTRUST Bank applauds the Kansas Chamber’s efforts to educate lawmakers on the far-reaching consequences of their decisions on Kansas businesses and their operations.”

Gary Schmitt | INTRUST Bank



HEALTH CARE*

REDUCE EMPLOYER COSTS, PROMOTE PERSONAL RESPONSIBILITY

The Kansas Chamber supports meaningful health care reform aimed at lowering the overall cost of health care so it is more affordable for employers and will:

- ▶ **Support policies that eliminate government restrictions on medical professionals’ ability to perform duties within the scope of practice of their professional training.**
- ▶ Oppose expansion of Medicaid eligibility.
- ▶ Oppose government competition with the private market.
- ▶ Oppose mandated employer-based coverage or payment.
- ▶ Expand tax incentives available for employers and individuals choosing to purchase individual policies or health savings plans.
- ▶ Defend the rights of employers to choose the health insurance plans they offer.
- ▶ Support access to telemedicine and other service options that increase healthcare options and lower costs to Kansans and employers without prohibiting the right of businesses to freely contract for services.
- ▶ Support state-level implementation of policy measures that improve efficiency and effectiveness of health systems, including the continuation of delivering Medicaid services through a managed care model (KanCare).
- ▶ Oppose cost-increasing mandates insurers are required to include in policies so that more affordable plans are available for employers.
- ▶ Support policies that increase personal participation in health care purchasing.

** Both a federal and state issue*

2024 LEGISLATIVE AND POLICY AGENDA



KANSAS

Retail Council 

The Kansas Retail Council (KRC) focuses on retail business issues that impact small and large retailers in Kansas. The mission of KRC is to provide knowledge, resources and support to Kansas retailers so they can prosper. Through the Kansas Chamber, the KRC gives Kansas retailers a strong, unified voice on legislative and public policy matters.

TAX

- ▶ Reimburse retailers a percentage of the cost to comply with collecting and remitting sales and excise taxes to the state.
- ▶ Eliminate prohibition of retailers from passing on credit card fees to consumers.
- ▶ Oppose efforts which seek to impose a tax on sugary beverages.
- ▶ Support lowering of state sales tax.
- ▶ Protect against changes to long-standing valuation methodology which attempts to take income into consideration when valuing property.

PRODUCTS

- ▶ Oppose bans on plastics, straws, chemicals and other items.
- ▶ Oppose food labeling mandates.
- ▶ Support ability for all stores to sell full strength beer, wine and spirits.

EMPLOYMENT LAW

- ▶ Protect against repeal of Kansas law which prevents local units of government from imposing harmful mandates not required by state or federal law including:
 - Fair scheduling
 - Minimum wage
 - Paid leave

THE NEW KANSAS CHAMBER APP

Stay up to date with the Kansas Legislature through the new Kansas Chamber app. The Chamber app gives you direct access to legislative calendars, journals, district maps and live stream audio from the House and Senate floor – all on your phone. Scan the corresponding QR code to download our app on your iOS or Android device today.



KansasChamber.org/Legislative-App



The Kansas Manufacturing Council (KMC) is the leading advocacy organization for Kansas manufacturers and companies serving manufacturers, representing small and large manufacturers across the state. The mission of KMC is to provide knowledge, resources and support in order to create a stronger and more prosperous manufacturing sector. Through the Kansas Chamber, KMC has a powerful voice for the state's manufacturing community to advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across Kansas.

TAX

- ▶ **Use a portion of significant budget surplus for overall rate reduction.**
- ▶ Reduce government spending instead of increasing the cost of doing business through tax increases.

REGULATORY AFFAIRS

- ▶ Maintain a set of clear requirements in the regulatory process that instills confidence for businesses that follow the rules when seeking to do business in the state.
- ▶ Prevent imposition of burdensome state and federal regulations on business and industry.

ENERGY

- ▶ Support implementation of key recommendations from the legislative study on the competitiveness of Kansas energy rates to improve our state's electricity costs.
- ▶ Support policies that create equal competition among energy sources and technologies.
- ▶ Support incentives for businesses to voluntarily utilize energy more efficiently versus penalties and/or mandates.

EDUCATION & WORKFORCE DEVELOPMENT

- ▶ Support policies which promote coordination of resources and alignment of curriculum between K-12 and higher education institutions to ensure the workforce needs of Kansas businesses and career needs of students are being met.
- ▶ Support vigorous and dynamic Kansas-based primary and secondary education standards that focus on college and career readiness and ensure acquisition, retention and comprehension of an essential base of knowledge at every step of the educational process toward a career suited to each student's interest and ability.
- ▶ Support efforts to offer parents and students a variety of educational choices regardless of their socio-economic status, and support efforts to create innovative school environments designed to maximize the educational experience for all students.

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AFFILIATE ORGANIZATIONS

American Free Enterprise Chamber of Commerce

Kansas Chamber Political Action Committee

Kansas Chamber Education Foundation

Kansas Manufacturing Council

Kansas Retail Council

Leadership Kansas

State Affiliate of Ntnl. Assoc. of Manufacturers (NAM)

State Affiliate of National Retail Federation (NRF)