



Kansas State Council of SHRM, Inc.
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Even with the Martin Luther King Jr. holiday on Monday, the Kansas Legislature managed a full and eventful second week of the session. The quicker-than-usual pace continued as lawmakers didn't wait to start work on several headliner topics like abortion, property taxes, and healthcare.

Abortion Constitutional Amendment

In a joint session of the House Federal and State Affairs and Senate Judiciary Committees on Tuesday, advocates swarmed the statehouse for an all-day hearing on the proposed constitutional amendment that would allow legislative regulation of abortion in Kansas. The proposal is in response to the Kansas Supreme Court's decision last year that ruled the right to an abortion is constitutionally protected.

Both committees quickly approved the measure on Wednesday sending identical resolutions to their full Chambers. It is still unclear which Chamber will debate the issue first but rumored it could be considered as early as Tuesday next week. If approved by a two-thirds majority of the Legislature, the constitutional amendment will be placed on the August primary election ballot.

GOP Leadership Agenda

Republican leaders unveiled a five-part "Make Kansas Work" plan on Thursday that aims to assist Kansans toward self-sufficiency over government assistance. The proposal is estimated to cost \$30-\$50 million. The plan will be introduced as five different bills:

- Increasing the Social Security tax exemption for seniors to \$100,000 from \$75,000.
- Giving first-time home buyers a tax deduction as they save for a new home.



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- Creating a \$30 million fund to match private support aimed at helping rural hospitals.
- Creating a tax credit for businesses that employ anyone with a disability in an integrated setting where they work alongside those without disabilities.
- Creating a scholarship program for Kansas graduates who complete a certificate or two-year program in one of the areas of the state facing a labor shortage.

Budget

Budget committees continued their review of various legislative issues this week. These informational meetings will be useful when the deliberations on state agency budgets start soon.

Appropriation Committee members heard from the Secretary of KDOT on future transportation plans. Past plans have focused on ten-year time periods and have had a set number of projects. The Secretary is proposing a new method which would be more flexible in its development. It would involve more local input, and projects wouldn't be planned so far out in advanced so communities could better adapt to changes in their growth. The new process also counts on a sturdier funding stream, meaning the Bank of KDOT would be closed and highway funding go to funding transportation. This funding stream will be a large issue for the legislature to grapple with.

The Senate Ways and Means Committee heard from legislative auditors on the success of the State's economic development programs. Recent audits show that Kansas can do better using eco devo for economic development. Audits have shown the need for better practices for use and monitoring of eco devo funds and programs. Budget committee members have been concerned about this in the past, and they will likely ask for tighter reins on these funds in the future.



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Ways and Means also discussed their recent bus tour of mental health facilities in Kansas. Programs and facilities all over the state were visited. Legislators are interested in a regional system of mental health care. There is ongoing concern about the number of beds available for people who need mental health services, especially those who are outside of urban areas. Local and regional services were visited on the tour, as were the state hospitals. The Chair of the committee noted that they will do a lot of work on this issue during budget deliberations.

The Docking State Office Building was discussed in both committees. The State's largest office building is almost vacant now and plans for its future use haven't been decided. It's possible the 12-story structure could be remodeled or brought down to 4-6 stories. One state agency is proposing moving its labs to the building. Legislators will consider the use of the building, and the cost of operating it as they decide its future.

Taxes

The Senate Assessment and Taxation committee this week began hearing several of the bills on the docket this year dealing with comprehensive property tax reform. [Senate Bills 262](#), [263](#), [264](#), [265](#), [266](#) mainly address issues with appraisers and appraisal methods. The hearings continue into next week on [Senate Bill 272](#), which would prohibit county appraisers and the state board of tax appeals (BOTA) from increasing the valuation of county appraised property in valuation appeals; and [Senate Bill 273](#), which would allow taxpayers to attend BOTA hearings by use of electronic communication.

The House Taxation committee held a hearing on [House Bill 2278](#), which would assess income taxes using a formula to find each individual taxpayer's rate. It would reduce Kansas' tax brackets from three to two. There was not much support for the bill during the hearing.



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The House Taxation committee scheduled a hearing on [House Bill 2466](#) next Monday. The bill would enact the Kansas Taxpayer Protection Act, requiring a signature and tax identification number of paid tax return preparers and penalize any fraudulent tax preparers found participating in misconduct on behalf of Kansas taxpayers.

Healthcare

As promised, the Senate Public Health and Welfare committee began the long string of hearings on [Senate Bill 252](#), which is the Governor's latest Medicaid Expansion proposal. Proponents testified Thursday and Friday, while opponent and neutral conferees will testify next Tuesday – Thursday. The plan would expand Medicaid to an additional 130,000 Kansans, mostly those from age 19 to 64 who don't have health insurance and who earn less than 138% of the national poverty level. The measure also contains a \$35 million health care fee for hospitals and clinics that is said will be used to bring down premiums on many private health insurance plans by 20 percent. The bill includes a provision that ends the expansion program if at any time federal assistance falls below the current 90% funding level.

The Senate Federal and State Affairs committee is scheduled to hold its hearing on [Senate Bill 255](#) next Thursday, which would automatically appropriate \$10 million per year to the University of Kansas Medical Center, creating the Cancer Research and Public Information Trust Fund. The Legislature heard from the KU Cancer Center last week on how this consistent funding will secure its National Cancer Institute (NCI) designation, which is the only NCI-designated cancer center in Kansas and one of only 71 such centers in the nation.

Economic Development

House and Senate Commerce Committees met jointly this week to hear reports on the Post Audits study on the [Job Opportunity Creation Fund](#) and the [Economic Development Initiative Fund](#) (EDIF). Lawmakers have been



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demanding more transparency and accountability in economic development programs and plan to seek reforms where needed.

In addition, Commerce Sect. Toland reported to multiple committees that the Rural Opportunity Zones (ROZ) program has not been as successful as hoped and that reforms are needed in rural economic development programs such as more local input and flexibility in the incentives.

Another joint meeting of the House and Senate Commerce Committees is scheduled on February 3, where it is expected Sect. Toland will release the much anticipated “**Framework for Growth**,” the long-term economic development strategic plan commissioned by Sect. Toland last fall.

Insurance and Financial

The House Committee on Insurance heard [House Bill 2053](#) on Wednesday, which clarifies the definition of short-term limited-duration health plans to a policy period less than one year with extensions allowed to 36 months. The bill would also require insurance companies that issue these policies to disclose requirements in the Affordable Care Act regarding preexisting conditions and minimum essential coverage. Opponents of the bill cautioned lawmakers these plans may lead consumers to lose coverage when the short-term plan expires leaving them unable to find coverage in the middle of their illness.

The Senate Financial Institutions and Insurance Committee is holding hearings on [Senate Bill 281](#) and [Senate Bill 282](#) next Wednesday. Both bills relate to transparency and disclosure of direct pay pricing and insurance coverage of healthcare procedures to patients.

A contentious three days of hearings were held this week in the Senate Financial Institutions and Insurance Committee on [Senate Bill 259](#), which grants banks a privilege tax deduction for net interest from certain business and single-family residence loans. Proponents testified on Tuesday claiming



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that the bill would level the playing field with credit unions and allow them to compete with Farm Credit for rural housing business. Opponents argued that the bill would give for-profit banks the tax benefits of not-for-profit credit union cooperatives while not requiring them to adhere to the same market restrictions.

Legal Reform

Stakeholders interested in the Kansas Supreme Court's decision last year that ruled the caps on non-economic damages was unconstitutional, are holding off to introduce specific legislation in response until the affects – particularly on medical malpractice – are more certain. Rather, a comprehensive package of tort reform proposals will be pursued in the meantime to address the general legal climate in Kansas. A bill is scheduled to be introduced next week with the following provisions:

- Modification from a court case dealing with limiting attorney fees on insurance claims under an umbrella policy.
- Truth in advertising to protect consumer data.
- Disclosure of third-party financing when hedge funds are investing in lawsuits.
- Capping attorney fees including contingency cases.

The Kansas Attorney General (AG) Derek Schmidt introduced a bill this week, [House Bill 2461](#), which gives approval authority to the AG's office before a public entity can enter into a contract for legal services on a contingent basis. As local cases across the nation continue to increase, offering to seek damages resulting from vaping, opioid abuse, and climate change, the AG is forwarding this bill in an effort to coordinate litigation. There is concerns by local governments about how this measure is drafted and cities due process rights. A hearing is scheduled in the House Judiciary committee on Wednesday.



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Clean Indoor Air

Attorney General Derek Schmidt also introduced [House Bill 2450](#) which proposes to amend the Clean Indoor Act to include the use of vaping and electronic cigarette devices. A hearing was held in House Judiciary on Thursday where the AG asked lawmakers to update the Act. There was some discussion whether the amendments should include the use of marijuana as well as removal of the exemption for the casinos.

Agriculture

A hearing was held on [House Bill 2437](#) on Thursday in the House Agriculture committee, which was introduced by the Kansas Livestock Association to prohibit the use of meat terms on labels or in advertising of meat analog products without certain clarifying disclaimers. Concerns among committee members arose after hearing testimony from attorneys claiming that the bill would put the state in danger of being sued over constitutionality of free speech. The bill was scheduled to be worked on Monday but has been pulled from the calendar.

[Senate Bill 153](#), which would allow the Kansas Department of Health and Environment to set reportable quantities of chemical spills, is a rollover bill from last year. It stalled in the Senate Agriculture and Natural Resources committee after agriculture interests voiced concern over civil penalty provisions. The Chairman plans to work the bill next Wednesday and it's expected to be amended with language upon which all parties have agreed.

Next week will be a full week with committee's beginning to settle in on issues. Some highlights include Senate Judiciary will hear [SB 250](#), which proposes to amend the definition of "race" in the Kansas act against discrimination to include traits historically associated with race, including hair texture and protective hairstyles and the House and Senate Commerce Committees dedicating several days to a presentation by Dave Trabert,



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