



Kansas State Council of SHRM, Inc.
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Kansas Legislative Report, January 27-31, 2020

The biggest news this week was the Senate approving a constitutional amendment on abortion late Wednesday night. It managed to pass with only one amendment, which allows all registered voters to vote in the August primary election. The Senate vote was 28-12. The House is expected to debate the Senate's amended resolution next week. Governor Kelly urged the House to reject the proposal in a press conference on Thursday stating it would detour businesses from coming to Kansas.

Budget Report

Budget committees reviewed a variety of issues this week and next week, budget committees begin their subcommittee work and start their deep dives into agency budgets and funding requests. Below are a few highlights from this week:

House budget committee members heard from the Secretary of Corrections on an update of the prison system. The recent increase in salaries for prison guards has helped slow those job turnovers but has not eliminated them. Corrections staff at the State Hospitals also needs to be addressed. The new construction at the Lansing facility was reviewed, and also discussed was the need for funding of inmate programs throughout the system to ready inmates for release back into society. These programs deal with drug abuse, behavioral issues, post release employment, and housing.

The Senate budget committee heard from supporters for more funding for the University of Kansas Medical Center to become designated as a Comprehensive Cancer Center by the National Cancer Institute (NCI). This would in part require an additional \$10 million in funding for KU Med. KU Med already is part of the NCI system, this new designation could mean more funding sources outside of Kansas could go to KU Med cancer research, more treatment programs could be available for patients at KU Med, and KU Med would be a regional leader in cancer research.

Medicaid Expansion

The Senate Public Health and Welfare Committee finished their hearings on the Governor's "compromise" Medicaid expansion bill, [Senate Bill 252](#) this week. A surprise opponent to the proposal came from US House of Representative Marshall, who is also running for the US Senate being vacated by Senator Roberts, cited concerns of the long-term costs to the state. The committee is scheduled to work and possibly act on the bill next week. It appears that all health bills in the House are at a standstill until the Legislature comes to resolution on Medicaid expansion.

FORWARD Transportation Plan

The Governor's transportation plan has now been introduced in both the House and Senate budget committees. The Kansas Department of Transportation officially unveiled their new state transportation plan named "FORWARD." The multi-modal plan will have a rolling 2-year project window where each of the six Transportation Regions can submit three projects into the pipeline. Projects are then vetted for construction—looking for local match, feasibility, and other criteria. Not all projects in the pipeline will be selected for construction.



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FORWARD will be funded by a three-year restoration of the sales tax transfer, bonding authority, and an increase in the local match. A bill number has not been assigned, but lawmakers are eager to begin working out the details soon.

Both chambers will develop their own versions of the Governor's transportation plan and then come together to work out a compromise bill, likely toward the end of the session.

Make Kansas Work

Bills started getting introduced this week for the House Republican leadership's "Make Kansas Work" Plan. If you are tracking their proposals, here are the bill numbers:

- [House Bill 2516](#): Giving first-time home buyers a tax deduction as they save for a new home.
- [House Bill 2522](#): Creating a \$30 million fund to match private support aimed at helping rural hospitals.
- [House Bill 2416](#): Creating a tax credit for businesses that employ anyone with a disability in an integrated setting where they work alongside those without disabilities.
- [House Bill 2515](#): Creating a scholarship program for Kansas graduates who complete a certificate or two-year program in one of the 10 areas of the state facing a labor shortage.
- [House Bill 2542](#): Increasing the Social Security tax exemption for seniors to \$100,000 from \$75,000.

Taxes

Representatives from The Tax Foundation, a Washington D.C. think tank, reported to the Tax Committees this week on recommendations that came out of their Kansas comprehensive tax reform study conducted last year. [Click here](#) for their full report.

The Senate Tax Committee heard two more property tax bills this week. [Senate Bill 272](#) 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](#) would allow taxpayers to attend BOTA hearings by use of electronic communication.

The Senate Tax Committee will also hear [Senate Bill 294](#), which is expected to be the most controversial of all the property tax bills this year. Senate Bill 294 would adopt a Truth in Taxation model law and require public notice to taxpayers when a governing body is choosing to increase property taxes. If a governing body elects to draw more income from property tax revenue, it must hold public hearings and then vote to raise the mill rate. The bill would not repeal the current property tax lid but require additional steps for increased mill levy.

[House Bill 2466](#) was heard on Monday in the House Tax Committee and 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. There was no opposition to the bill during the hearing and is expected to be worked on Monday.

The House Tax Committee heard a bill that would decouple from federal law and allow individuals to itemize on their state tax returns regardless of how they itemize federally. [House Bill 2005](#) was part of last year's comprehensive decoupling bill that was vetoed by the Governor. The Kansas Society of Certified Professional Accountants provided the committee with information on the topic before organizations like the National Federation of Independent Businesses, Kansas Policy Institute, and the Kansas Association of Realtors testified in support of the legislation.



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STAR Bonds

On Wednesday, the Department of Commerce requested [HB 2529](#) reauthorizes the STAR Bonds economic development program and proposed several changes to the act. These changes include payment and contacting for the feasibility study, rural projects and the addition of hospital and corporate headquarters to the act. On Monday, the Department of Commerce will present a comprehensive report of the existing program at a joint meeting of the Commerce Committees where we expect an explanation of the changes proposed in the new bill. We expect a hearing to be held on HB 2529 the week of February 10th.

Discrimination

Senate Federal and State Affairs Committee held a hearing on [SB 250](#) which would amend the definition of "race" in the Kansas act against discrimination to include traits historically associated with race, including hair texture and protective hairstyles. The bill known in other states as the "Crown Act" drew support from groups including the NAACP and the National Association of Pediatricians. The only opponent to the bill was the Kansas Chamber of Commerce who voiced concerns about a business's ability to set policies based on health and safety needs. It is uncertain if the committee will work the bill.

Workforce Development

House Commerce Committee held hearings this week on two bills geared towards workforce development. [HB 2507](#) proposes to address business liability concerns for work-based learning opportunities for secondary students. Currently, there is not clear direction on whether the school district or the employer should be responsible for liability insurance when a student is participating in work-based learning opportunities such as job shadowing. Much support was expressed for the bill but concerns were raised about the language is drafted. We expect the committee to address the concerns and work the bill in the near future.

The second bill the House Committee heard this week is [HB 2515](#). Titled "The KS Promise Act" this bill is part of House Leaderships Make Kansas Work program and would create a needs based scholarship to Kansas high school graduates who attend a technical or community college for a program identified as being a top 10 in need career certificate. We expect this bill to be worked next week.

Insurance

Kansas Insurance Commissioner Vicki Schmidt has been appointed by the National Association of Insurance Commissioners (NAIC) to Chair the Property & Casualty Committee. Their work includes but is not limited to issues such as cannabis insurance, pet insurance, flood insurance and transparency and readability of consumer information. Commissioner Vicki Schmidt is the second Commissioner from Kansas to Chair this Committee.

[Senate Bill 281](#) and [Senate Bill 282](#) were heard on Wednesday in the Senate Financial Institutions and Insurance Committee. Both bills relate to transparency and disclosure of direct pay pricing and insurance coverage of healthcare procedures to patients. The Kansas Hospital Association came out in opposition to both bills with strong concern that the way these bills are written would be costly and unmanageable to implement.



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Legal Reform

The House Judiciary Committee held a hearing this week on [House Bill 2461](#), which gives approval authority to the Attorney General's office before a public entity can enter into a contract for legal services on a contingent basis. There was strong opposition by cities, counties, water districts, trial lawyers, and many others. It appears, however, that several parties – including Attorney General Derek Schmidt – are willing to work together on compromise language that is workable for most interests.

Sports Betting

The Senate Federal and State Affairs Committee took another stab at hearing a bill that would allow sports wagering in Kansas. [Senate Bill 283](#) is supported by the state-owned casinos but is having a hard time crossing the finishing line due to questions around the Kansas Lottery offering online sales if sports betting is enacted. Kansas would be the 20th state to legalize sports wagering.