

KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JANUARY 21, 2025

WEEK 2: A FAST START, A CAUTIOUS PATH AHEAD

The Kansas Legislature energetically kicks off the new session with a packed agenda that reflects the urgency of key issues. As the session progresses, there seems to be a combination of momentum building along with caution about the challenges that lie ahead. This week's Kansas Legislative Insights includes a "bet you didn't know this" tidbit about Kansas politics and an update from the military, judiciary, and the governor regarding their respective agendas. In addition, it highlights two timely informational briefings that may shape the session's landscape.

THE RESOLUTION TO SIT DOWN

The Kansas Legislature uses two types of resolutions: simple and concurrent. Simple resolutions focus on either the House or Senate and handle matters within that chamber without needing the other house's action. They are often used for organizational tasks, rule changes, or expressing the chamber's views on specific issues.

If not addressed, simple resolutions expire at the end of the session. Senate rules mandate that resolutions be written, read, and laid over for one day, though a majority vote can waive these requirements. On the first day of the legislative session, both the House and Senate prioritize passing a resolution to assign floor seats. SR 1702 and HR 6002 were approved by voice vote to place each member in their designated spot. Typically, the Speaker and the President of the Senate handle these assignments, but they take effect only after a resolution is passed. Seating and office assignments can be the most contentious decisions legislative leaders make at the session's start.

GRAIN BELT EXPRESS BRIEFINGS

The Joint House Water and Energy Committee and the Senate Utilities Committee convened last Thursday to receive an update on the Grain Belt Express (GBE) transmission project. The session included testimony from Invenergy, the Kansas Corporation Commission (KCC), and the Kansas Farm Bureau, focusing on the project's benefits, landowner impacts, and infrastructure developments.

Invenergy reported that GBE will deliver an \$8.1 billion economic boost during construction, create 19,350 jobs, and save Kansans \$1.2 billion in energy costs over 15 years. The project is also set to generate \$500 million in property tax revenue to support schools and communities. Invenergy emphasized its commitment to landowner protections, offering compensation at 110% of market value, crop disturbance reimbursements, and flexible annual payment options.

KCC representatives Justin Grady and Paul Owings outlined the project's technical aspects and development process, emphasizing its compliance with Kansas statutes. They highlighted how GBE will reduce grid congestion, enhance energy reliability, and meet the state's growing energy needs while adhering to rigorous review standards.

Wendee Grady of the Kansas Farm Bureau addressed the organization's evolving stance on renewable energy and transmission projects. She highlighted a balanced approach that supports renewable development while safeguarding landowner rights and minimizing agricultural disruptions.

Find the presentations from these hearings here:

- Joint Hearing on the Grain Belt Express, Kansas Farm Bureau
- Overview of the Grain Belt Express, Invenergy
- Overview of the Grain Belt Express (GBE) Project, Kansas Corporation Commission

JUSTICE GAP AND FUTURE CHALLENGES

State lawmakers held three joint sessions in the first week to hear the State of the Military, State of the Judiciary, and State of the State.

On Wednesday morning, Major General Michael T. Venerdi, the State's Adjutant General and commander of the Kansas National Guard and Air Guard, addressed the House of Representatives and Senate. He provided updates on the military's activities in the state and abroad over the past year.

Major Gen. Venerdi emphasized the Guard's role in maintaining Kansas's health, both financially and otherwise. He stated, "These partnerships immensely benefit Kansas with an annual economic impact exceeding \$5.2 billion and a seat at the table when national security decisions are being made."

On the afternoon of Jan. 15, Kansas Supreme Court Chief Justice Marla Luckert addressed the joint meeting of the Kansas House of Representatives and Senate. She expressed her commitment to a strong, accessible, and trusted legal system for the state's citizens. However, she warned that maintaining the status quo risks this dream. She made this grim prediction because Kansas, like the rest of the country, faces a justice gap. There appears to be a growing divide between people who can afford basic legal services and those who cannot. Additionally, even if they can afford it, people may struggle to find an attorney within a reasonable driving distance to represent them. The Chief Justice urged the legislature to support the steps the Court has already proposed to address this statewide shortage of attorneys.

The day concluded on Wednesday evening with Governor Laura Kelly delivering her seventh State of the State Address to a joint meeting of the Kansas House of Representatives and Senate. In her remarks, Gov. Kelly encouraged legislators to look to the future and address the issues that will challenge our state over the next 75 years. She also highlighted the achievements of her administration, including significant gains in economic development, water programs, initiatives for children and families, and establishing a strong financial footing for the State of Kansas.

The governor proposed several issues for the Legislature to address. Chief among these is her continued call for Medicaid expansion in Kansas. She also suggested pausing further tax cuts at this time. The following morning,

she released her spending recommendations in her budget for Fiscal Year 2026 and beyond.

GOVERNOR'S FISCAL YEAR 2026 SPENDING RECOMMENDATIONS

On Thurs., Jan. 15, Gov. Kelly announced her budget and legislative priorities. Secretary of Administration and Budget Director Adam Proffitt released the details at a joint meeting of the Kansas House of Representatives Committee on Appropriations and Kansas Senate Committee on Ways and Means.

Proffitt emphasized the need to curtail spending to preserve the state's surplus, which is projected to be depleted by 2029 if current spending trends persist. He noted that much of the recent expenditures involve one-time or short-term spending, aligning with the governor's intent to prioritize stability.

The highlights of the budget recommendations include:

- Continue investments in early childhood care and education.
- Provide free school meals for qualifying children.
- Fully fund Kansas public K-12 schools for the seventh year in a row.
- Prioritize water.
- Expand Medicaid to 150,000 Kansans.
- Invest in higher education.
- Continue to repair Kansas' foster care system.
- Bolster health care services and hospitals.
- Provide funding for agriculture and natural resources.
- Provide support for disability and employment services.
- Improve public safety.
- Invest in economic development and tourism.

A summary of the entire budget presentation can be found here.

THIS WEEK IN THE KANSAS LEGISLATURE - JANUARY 21-24, 2025

This week, committees in both the Kansas House of Representatives and Kansas Senate are working on the two defining issues of this session: property tax relief, which is a key issue for the Republican leadership, and a comprehensive review of the state budget.

The Senate Assessment and Taxation Committee will hold hearings on bills and specifically work on a constitutional amendment that places an annual limit on property valuation growth. A hearing is scheduled on SB 10, which provides property tax exemptions for certain personal property, including watercraft, marine equipment, off-road vehicles, motorized bicycles, and certain trailers. Additionally, there will be a hearing on SB 35, which discontinues state property tax levies for the Kansas educational building fund and the state institutions building fund and finances them from the state general fund.

The House Taxation Committee is hearing HB 2011, concerning taxation relating to the total mills levied by school districts. The current mill levy is 20 mills; the bill lowers the mill levy to 18.5 mills.

The House Budget Committees and the House Appropriation Committee are reviewing state agency budgets and making recommendations. The schedule calls for the House of Representatives to have a budget out of the House by mid-February.

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BILL INTRODUCTIONS

SENATE BILLS

General Business Concerns

SB 1: Federal and State Affairs. This pre-filed bill introduced by Sen. Kenny Titus (R-Wamego) would exempt the state of Kansas from daylight saving time and provide for moving to permanent daylight saving time upon an act of Congress requiring such a move. This bill has been referred to the Committee on Federal and State Affairs.

Banking, Financial Institutions & Insurance

SB 20: Insurance. This bill requested for introduction by the Kansas Insurance Department would reduce the number of board members appointed by the commissioner on certain insurance-related boards and would also reduce the frequency of committee meetings on surety bonds and insurance. This bill has been referred to the Committee on Financial Institutions and Insurance chaired by Sen. Brenda Dietrich (R-Topeka).

SB 21: Insurance. This bill requested for introduction by the Kansas Insurance Department would require that third-party administrators maintain separate fiduciary accounts for individual payors and not contain funds collected or held on behalf of multiple payors and disclose to the commissioner of insurance any bankruptcy petition filed by or on behalf of such administrator pursuant to chapter 9 or chapter 11 of the United States Bankruptcy Code. This bill has been referred to the Committee on Financial Institutions and Insurance chaired by Sen. Brenda Dietrich (R-Topeka).

SB 22: Insurance/Real Estate. This bill requested for introduction by the Kansas Insurance Department relates to title insurance and would require title agents to make their audit reports available for inspection upon request of the commissioner of insurance instead of submitting such reports annually. This bill would also require the amount of surety bonds filed with the commissioner to be \$100,000 and would eliminate the controlled business exemption in counties with a population of less than 10,000. This bill has been referred to the Committee on Financial Institutions and Insurance chaired by Sen. Brenda Dietrich (R-Topeka).

SB 23: Insurance/Deceptive Acts. This bill requested for introduction by the Kansas Insurance Department relates to unfair and deceptive acts or practices and would require agents and insurers to respond to inquiries from the commissioner of Insurance within 14 calendar days. This bill would also extend certain rebate pilot programs beyond the current one year duration. This bill has been referred to the Committee on Financial Institutions and Insurance chaired by Sen. Brenda Dietrich (R-Topeka).

SB 24: Insurance/Setting Fees. This bill requested for introduction by the Kansas Insurance Department relates to the powers, duties and responsibilities of the commissioner of insurance and authorizes the commissioner to set the amount of certain fees, requiring the publication of such fees in the Kansas Register. This bill has been referred to the Committee on Financial Institutions and Insurance chaired by Sen. Brenda Dietrich (R-Topeka).

SB 27: Insurance/Reports & Definition of Person. This bill requested for introduction by the Kansas Insurance Department relates to the powers, duties, and responsibilities of the commissioner of insurance and would eliminate the requirement that the commissioner submit the annual report of the general conduct and condition of insurance companies to the governor. This bill would also remove certain entities from the definition of "person" for the purpose of enforcing insurance law. This bill has been referred to the Committee on Financial Institutions and Insurance chaired by Sen. Brenda Dietrich (R-Topeka).

SB 28: Insurance/Licensing. This bill requested for introduction by the Kansas Insurance Department relates to the licensing requirements for insurance agents and public adjusters and would set forth certain considerations when considering whether to deny, suspend, or refuse to renew the application of an individual who has been convicted of a misdemeanor or felony. This bill has been referred to the Committee on Financial Institutions and Insurance chaired by Sen. Brenda Dietrich (R-Topeka).

SB 25: Property and Casualty Insurance. This bill requested for introduction by the Kansas Insurance Department would enact the Insurance Savings Account Act, which would allow individuals and corporations to establish insurance savings accounts with certain financial institutions and would provide for certain eligible expenses, requirements and restrictions for such accounts. This bill would also require the secretary of revenue to adopt certain rules and regulations and grant nonexclusive marketing authority to the commissioner of insurance. Finally, this bill would establish addition and subtraction modifications under the Income Tax Act. This bill has been referred to the Committee on Assessment and Taxation chaired by Sen. Caryn Tyson. (R-Parker).

Public Health & Healthcare

SB 3: Public Health and/or Healthcare. This pre-filed bill introduced by the Legislative Post Audit Committee amends the Lay Caregiver Act and would require the Department of Health and Environment to audit hospital compliance with such Act and to report the audit results to the legislature. This bill is a parallel bill to HB 2002. This bill has been referred to the Committee on Public Health and Welfare chaired by Sen. Beverly Gossage (R-Eudora).

SB 11: Public Health and/or Healthcare. This bill requested for introduction by Jessica Lucas on behalf on behalf of the American Heart Association and sponsored by the Committee on Utilities concerns emergency communication and the state 911 board and public safety answering points and would require the 911 board to establish minimum training requirements for 911 telecommunications to receive 911 telecommunicator-cardiopulmonary resuscitation training and continuous education in telecommunicator-cardiopulmonary resuscitation. The bill was initially referred to the Committee on Public Health and Welfare and has now been referred to the Committee on Utilities chaired by Sen. Michael Fagg (R-EI Dorado).

SB 19: Public Health/Right to Refuse Care. This bill requested for introduction by Sen. Michael Murphy (R-Sylvia) would enact the Conscientious Right to Refuse Act which would prohibit discrimination against individuals who refuse certain medical interventions and create a civil cause of action against entities who discriminate based upon such medical care refusal. This bill would also revoke the authority of the Secretary of Health and Environment to order individuals to isolate or quarantine and impose penalties for violations thereof. This bill has been referred to the Committee on Public Health and Welfare chaired by Sen. Beverly Gossage (R-Eudora).

SB 29: Public Health/Infectious or Contagious Disease. This bill requested for introduction by Sen. Michael Murphy (R-Sylvia) would enact the Constitutional Right to Health Freedom Act which would revoke the authority of the Secretary of Health and Environment and local health officers to order individuals to isolate or quarantine and would impose penalties for violations thereof. This bill would also create a cause of action against employers for employees discharged for following the recommendation of a local health officer or because of the employee's vaccination status. This bill has been referred to the Committee on Public Health and Welfare chaired by Sen. Beverly Gossage (R-Eudora).

Local Government & Municipal Authority

SB 7: Bonding Authority. This bill requested for introduction by Sen. Kenny Titus (R-Wamego) and introduced by the Committee on Local Government, Transparency and Ethics increases the statutory limits on the bonding authority of townships based on the population of such township and in addition, increases the statutory limit on bonding authority for improvements to a township fire department. This bill has been referred to the Committee on Local Government, Transparency and Ethics chaired by Sen. Elaine Bowers (R-Concordia)

SB 12: Local Government & Eminent Domain. This bill introduced by Sen. Tim Shallenburger (R-Baxter Springs), Vice President of the Senate, relates to the exercise of eminent domain by a local government for the purpose of recreational projects and would require the approval of each member of the governing body whose district territory would include the land being acquired by eminent domain. This bill has been referred to the Committee on Local Government, Transparency and Ethics chaired by Sen. Elaine Bowers (R-Concordia).

SB 37: Local Government/Planning & Zoning. This bill requested for introduction by Sen. Tory Marie Blew (R-Great Bend) relates to planning and zoning and would eliminate the authority of a city to adopt planning and zoning regulations for land located outside of such city. This billis parallel to HB 2025. This bill has been referred to the Committee on Local Government, Transparency and Ethics chaired by Sen. Elaine Bowers (R-Concordia).

Taxation

SB 10: Taxation/Property Tax. This bill introduced by Sen. Caryn Tyson (R-Parker) and other senators would provide tax exemptions for certain personal property including watercraft, marine equipment, off-road vehicles, motorized bicycles and certain trailers. This bill is a parallel bill to HB 2013. This bill has been referred to the Committee on Assessment and Taxation chaired by Sen. Tyson.

SB 26: Taxation/Sales Tax. This bill requested by Michael O'Donnell on behalf of the Kansas State Bowling Proprietors Association would provide a sales tax exemption for certain purchases by bowling centers. This bill has been referred to the Committee on Assessment and Taxation chaired by Sen. Tyson (R-Parker).

SB 33: Taxation/Sales Tax for Custom Meat Processing. This bill introduced by Sen. Caryn Tyson (R-Parker) on behalf of Sen. Bowers (R-Concordia) would exclude certain custom meat processing from taxation. This bill has been referred to the Committee on Assessment and Taxation chaired by Sen. Tyson and will be heard Thurs., Jan. 23, at 9:30 a.m.

SB 35: Taxation/Property Tax. This bill introduced by Sen. Caryn Tyson (R-Parker) would discontinue the state tax levies for the Kansas Educational Building Fund and the State Institutions Building Fund and would provide financing therefor from the state general fund. This bill has been referred to the Committee on Assessment and Taxation chaired by Sen. Tyson and will be heard Tues., Jan. 21, at 9:30 a.m.

Transportation

SB 8: Transportation/Traffic Regulation. This bill requested by Travis Lowe on behalf of AAA Kansas concerns traffic regulations and would codify a statutory duty for drivers approaching stationary vehicles and provide for a penalty for the unlawful passing thereof. This bill has been referred to the Committee on Transportation chaired by Sen. Mike Peterson (R-Wichita).

SB 9: Transportation/Public Land Surveys. This bill requested for introduction by Sen. Elaine Bowers (R-Concordia) would extend the time from 30 to 90 days to file certain reports with the state historical society. This bill has been referred to the Committee on Transportation chaired by Sen. Mike Peterson (R-Wichita).

SB 17: Transportation/Traffic Regulations. This bill introduced by the Committee on Agriculture and Natural Resources chaired by Sen. Virgil Peck (R-Havana) relates to the size, weight, and loads of vehicles, excepting vehicles hauling grain and other agricultural goods from gross weight limitations. This bill has been referred to the Committee on Transportation chaired by Sen. Mike Petersen (R-Wichita).

SENATE CONCURRENT RESOLUTIONS

SCR 1602: Immigration. This concurrent resolution requested for introduction by Sen. Mike Thompson (R-Shawnee) and introduced by the Committee on Federal and State Affairs encourages Gov. Kelly to fully cooperate with the policies of the Trump administration in enforcing federal immigration laws. This bill has been referred to the Committee on Federal and State Affairs chaired by Sen. Thompson.

HOUSE BILLS

Local Government

HB 2025: Local Government/Planning & Zoning. This bill sponsored by the Committee on Federal and State Affairs chaired by Rep. Tom Kessler (R-Wichita) relates to planning and zoning and would eliminate the authority of a city to adopt planning and zoning regulations for land located outside of such city. This bill is parallel to SB 37. This bill has been referred to the Committee on Local Government chaired by Rep. Emil Bergquist (R-Park City).

Healthcare

HB 2002: Health and Healthcare. This pre-filed bill introduced by the Legislative Post Audit Committee amends the Lay Caregiver Act and would require the Department of Health and Environment to audit hospital compliance with such Act and report the audit results to the legislature. This bill is a parallel bill to SB 3. This bill has been referred to the Committee on Health and Human Services chaired by Rep. Will Carpenter (R-EI Dorado).

Transportation

HB 2003: Transportation. This bill introduced by Rep. Bill Riley (R-Wellington) concerning taxation and electric vehicles would establish the EV Energy Equity Road Repair Tax Act and provide for a road repair tax on the distribution of electricity from public charging stations. This bill has been forwarded to the Committee on Transportation chaired by Rep. Shannon Francis (R-Liberal).

HB 2020: Transportation/Driver's License of Non-Citizens. This bill requested by Rep. Paul Waggoner (R-Hutchinson) and sponsored by the Committee on Elections chaired by Rep. Pat Proctor (R-Fort Leavenworth) would require the Director of the Division of Motor Vehicles to make monthly reports of names and addresses of noncitizens to the Secretary of State. This bill was first referred to the Committee on Transportation and then withdrawn, referring instead to the Committee on Elections chaired by Rep. Proctor and will be heard on Jan. 21, at 3:30 p.m.

Appropriations

HB 2007: Budget. This bill introduced by Rep. Troy L. Waymaster (R-Bunker Hill) makes and concerns appropriations for state agencies, authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations and directing or authorizing certain receipts disbursements, and acts incidental to

the aforementioned for fiscal years ending in 2025 through 2027. This bill has been referred to the Committee on Appropriations chaired by Rep. Waymaster.

Taxation

HB 2012: Taxation. This bill requested by Sandy Braden on behalf of POET concerns relates to income taxation and would provide a tax credit for the sale and distribution of ethanol blends for motor vehicles. The bill has been referred to the Committee on Taxation chaired by Rep. Adam Smith (R-Weskan).

HB 2013: Taxation/Sales Tax/Cable. This bill would discontinue the imposition of tax on cable, community antennae and television services. The bill has been referred to the Committee on Taxation chaired by Rep. Adam Smith (R-Weskan).

HB 2014: Taxation/Property Tax. This bill concerns property taxation and the related exemptions would provide exemptions for certain personal property including watercraft, marine equipment, off-road vehicles, motorized bicycles and certain trailers. This is a parallel bill to SB 10. The bill has been referred to the Committee on Taxation chaired by Rep. Adam Smith (R-Weskan).

HOUSE CONCURRENT RESOLUTIONS

HCR 5001: U.S. Constitution. A pre-filed House Concurrent Resolution introduced by Rep. Bill Sutton (R-Gardner) would make an application to the United States Congress for a limited national convention for the exclusive purpose of proposing an amendment that would establish term limits for members of Congress. This bill has been referred to the Committee on Federal and State Affairs chaired by Rep. Tom Kessler (R-Wichita).

HCR 5004: Kansas Constitution. This House Concurrent Resolution introduced by Rep. Pat Proctor (R-Fort Leavenworth) and others would amend Section 1 of Article 5 of the Kansas Constitution to require individuals to be citizens of the United States, at least 18 years of age and a resident of the voting area in which such person seeks to vote in order to vote in this state. This bill has been referred to the Committee on Elections chaired by Rep. Pat Proctor and will be heard Thurs., Jan. 23, at 3:30 p.m.

Kansas Legislative Insights is a publication developed by the government affairs & public policy law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and government relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session and periodically when the legislature is not in session, it focuses on issues involving healthcare, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, and employment. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's government affairs & public policy law practice group leader, C. Edward Watson, II, at 316.291.9589 or cewatson@foulston.com. Learn more about the authors below:

C. Edward Watson, II

Editor and Government Affairs & Public Policy Law Team Leader 316.291.9589 cewatson@foulston.com | View Bio

As a partner at Foulston Siefkin, Eddie represents clients in matters before state regulatory commissions, courts, and local government bodies. He has built and maintained relationships with key individuals – including lobbyists, elected and appointed officials, and staff members – that prove valuable in advancing clients' interests and issues. Drawing on his experience as a regional government affairs attorney for AT&T in Chicago, he helps clients navigate the maze of federal policies and agencies, advises on how processes work in Washington, and provides introductions to those who can help them accomplish their goals.

Susan (Sue) Peterson, PhD

Contributing Author and Government Affairs Consultant 785.341.6717 speterson@foulston.com | View bio

Sue, a government affairs consultant to Foulston Siefkin's government affairs & public policy practice group, is a strategic advocate, advisor, and connection to the Kansas Legislature, government agencies, and elected officials. She has built a robust and well-established network of state and federal lawmakers, corporate/academic leaders, and policymakers nationwide. She earned a Bachelor of Science in political science from Kansas State University, a Master of Public Administration from the University of Kansas, and a doctorate in Curriculum and Instruction from KSU. Before joining Foulston, Sue served as Kansas State University's chief government relations officer for 34 years; her experience also includes staff positions in Kansas' executive and legislative branches.

Eric L. Sexton, PhD

Contributing Author and Government Affairs Consultant 316.371.7553 esexton@foulston.com | View bio

Eric, a government affairs consultant to Foulston Siefkin's government affairs & public policy practice group, has nearly 30 years' experience providing strategic direction and government relations services. As Wichita State University's governmental relations leader for 18 years, Eric developed lasting relationships at the local, state, and federal government level around Kansas. Eric holds a doctorate in political science from the University of Kansas and a Masters in Public Administration from Wichita State University, complementing his undergraduate business degree from Wichita State.

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