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NEWSLETTERS



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | FEBRUARY 16, 2024

WEEK 6

Last week, the deadlines passed for non-exempt committees and individual legislators to introduce bills. Next week, Feb. 23 marks the turnaround deadline for non-exempt bills to pass in their house of origin. Turnaround is informally viewed as the halfway mark of the legislative session. Child support orders, cell phones, and pornography were among the issues on the legislative agenda this week.

The biggest news is what didn't happen. There was no veto override attempt by the House of Representatives. Grassroots lobbying efforts to flip one vote in the Senate continued. The deadline to consider a veto override is next week.

FLOOR DEBATE

This week, both chambers debated and approved non-controversial measures to reduce the debate calendars for next week. In the House, all measures passed by wide margins. The closest House vote was 86 to 30 on HB 2499. It prohibits the use of a mobile telephone while operating a vehicle in a school zone or a road construction zone or by individuals under 18 years of age.

Wednesday, the House debated HB 2588 related to net metering by public utilities. Evergy was commended for coming to the table and making this compromise possible along with House Energy, Utilities and Telecommunications Committee Chair Leo Delperdang, R-Wichita. The measure passed 116-0.

Thursday, the Senate debated seven bills which passed comfortably. The most noteworthy was SB 394, requiring the use of age-verification technology to permit access to internet websites containing material that is harmful to minors. It is a new approach to making it more difficult for anyone under 18 to view pornography with an age-verification requirement. Kansas joins eight other states which have approved similar measures. The closest Senate vote was on Senate Resolution 1737, affirming Texas Governor Greg Abbott's right to defend the state of Texas from unrestrained illegal immigration; the vote was Yea: 26, Nay: 11.

COMMITTEE ACTION

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The House Appropriations and Senate Ways and Means Committees continued working through the budgets of state agencies.

Monday, the Senate Judiciary Committee heard SB 425, giving pregnant mothers the ability to receive child support. SB 425 is identical to HB 2476. Both bills would add direct medical and pregnancy-related expenses to the state guidelines determining child support. Under Kansas law, parental relationships are not established until birth. Under the bill, child support would be calculated from the date of conception. There was a question about the legal implications of defining fetal personhood into law. Thursday, the House Federal and State Affairs Committee heard HB 2476.

The Senate Financial Institutions and Insurance Committee conducted two days of hearings on SB 495. It modifies certain terms, definitions, deadlines, and provisions contained in the Uniform Consumer Credit Code and transfers certain mortgage provisions from the Uniform Consumer Credit Code to the Kansas Mortgage Business Act.

The Senate Assessment and Taxation Committee heard SB 453, excluding Social Security payments from household income and expanding eligibility related to increased property tax homestead property tax refund claims.

This week, the Senate Utilities Committee had hearings on issues relative to the retirement of fossil-fuel-fired electric generating units and utilities rate bases. SB 456 establishes a rebuttable presumption against retirement of fossil-fuel-fired electric generating units, requiring the state corporation commission to report on such retirements and extending the timelines for the commission to make a determination regarding rate-making treatment for generating or transmission facilities. SB 455 authorizes electric public utilities to retain certain electric generating facilities in the utility's rate base. Tuesday, the House Energy, Utilities and Telecommunications Committee heard HB 2620, which is the House version of SB 456. The committee also heard HB 2591. It exempts the state corporation commission from the Open Meetings Act and prohibits ex parte communications in all commission proceedings. This bill was subsequently voted out favorably Thursday.

Friday, the House Agriculture and Natural Resources Budget Committee heard HB 2582, increasing the membership of the Kansas Wildlife and Parks Commission from 7 to 9 members. Also on Friday, the House Health and Human Services Committee heard HB 2789. It establishes the Pregnancy Compassion Program to provide resources and promote childbirth to women facing unplanned pregnancies and promote public awareness of available resources, appropriating \$4,000,000 per year from the state general fund toward such program and establishing a fee on the "In God We Trust" and the "Choose Life" license plates and using such fees to provide additional revenue for such program.

TURNAROUND WEEK

Next Monday and Tuesday, committees will complete consideration of non-exempt bills remaining in committee. Both chambers will be on the floor the rest of the week debating bills. Non-exempt bills not passing in their chamber of origin by next Friday will be dead for this session.

BILL INTRODUCTIONS

COURTS, LAWS, AND REGULATIONS

SB 478: EMPLOYMENT. This bill, introduced by the Senate Committee on Commerce, enacts the Kansas Unemployment Insurance State Trust Fund Solvency Act, which contains comprehensive changes to employment security law by revising certain definitions such as benefit year, temporary employment, wages, among others, and by creating new definitions for the purpose of the annual determination by the Secretary of Labor of the maximum weekly benefit amount. This bill would require electronic filing of wage reports, would establish minimum

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qualifications for candidates for membership on the Employment Security Board of Review and set forth the manner of the initial review of such candidates by the Director of Unemployment, would require the Secretary of Labor to create an audit process within the new unemployment insurance information technology system to permit employers to submit reports regarding work search, the My Reemployment Plan Program and claimants who do not provide notification or appear for scheduled interviews. This bill extends (from the beginning of the following quarter to the beginning of the following year) when the mandatory combination of rates and the establishment of a new account due to a business acquisition must occur, would make certain changes to the schedules governing employer contribution rates. This bill would remove obsolete language pertaining to the Employment Security Interest Assessment Fund and abolish such fund. This bill summary does not outline all of the proposed statutory amendments proffered by this bill. This bill has been referred to the Senate Committee on Commerce chaired by Sen. Renee Erickson.

SB 481: EDUCATION. This bill, introduced by the Senate Committee on Ways and Means, relates to Kansas State University, would rename the Kansas State University Polytechnic campus as Kansas State University – Salina, and would amend the admission requirements for persons seeking admission to Kansas State University – Salina. This bill has been referred to the Senate Committee on Ways and Means chaired by Sen. Rick Billinger.

SCR 1618: GUN RIGHTS. This resolution, introduced by Sen. J.R. Claeys (R-Salina), would amend Section 4 of the Kansas Bill of Rights to recognize the right to bear arms as a fundamental right and would clarify that such right includes the possession and use of ammunition, firearm accessories, and firearm components. This bill has been referred to the Senate Committee on Federal and State Affairs chaired by Sen. Mike Thompson.

SB 506: RENEWABLE ENERGY/REAL PROPERTY. This bill, introduced by the Senate Committee on Federal and State Affairs, would declare current restrictive covenants that limit or prohibit the installation of solar panels on rooftops of residential properties to be void and unenforceable and would allow homeowner associations to adopt reasonable rules concerning solar panels that do not prohibit rooftop installation. This bill has been referred to the Senate Committee on Judiciary chaired by Sen. Kellie Warren.

HB 2733: REAL PROPERTY. This bill, introduced by the House Committee on Local Government, relates to homeowners' associations, would require such associations to conduct certain home repairs in accordance with applicable codes and standards, and would provide for enforcement by the Attorney General, including the assessment of civil fines. This bill has been referred to the House Committee on Local Government chaired by Rep. Emil Bergquist.

HB 2734: LOCAL GOVERNMENT. This bill, introduced by the House Committee on Local Government, relates to Improvement Districts and would impose a five-year expiration on improvement districts and community improvement districts if no improvements are carried out within the five-year period. This bill has been referred to the House Committee on Local Government chaired by Rep. Emil Bergquist.

HB 2739: STATE CONTRACTS. This bill, introduced by the House Committee on Financial Institutions and Pensions, enacts the Countries of Concern Divestment and Procurement Protection Act and would require divestment from state investments with countries of concern, providing for certain exceptions. This bill would also prohibit investments, deposits or contracts with any bank or company domiciled or with a principal place of business in a country of concern and would indemnify state-managed funds with respect to actions taken in compliance with the Act. This bill was first referred to the House Committee on Financial Institutions and Pensions chaired by Rep. Nick Hoheisel. This bill has been withdrawn from the House Committee on Financial Institutions and Pensions and referred to the House Committee on Appropriations chaired by Rep. Troy Waymaster.

TAXATION

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SB 480: TAXATION. This bill, introduced by the Senate Committee on Assessment and Taxation, relates to the State Board of Tax Appeals and would authorize teleconference or video conference hearings in the small claims and expedited hearings division. This bill has been referred to the Senate Committee on Assessment and Taxation chaired by Sen. Caryn Tyson.

SB 482: TAXATION. This bill, introduced by the Senate Committee on Ways and Means, concerns property taxation and relates to tax levy rates, providing that county clerks are not required to send revenue-neutral rate notices to property owners of exempt property. This bill has been referred to the Senate Committee on Assessment and Taxation chaired by Sen. Caryn Tyson.

SB 507: TAXATION. This bill, introduced by the Senate Committee on Assessment and Taxation, relates to income tax, would provide for the apportionment of business income by the single sales, and would require the use of single sales factor pursuant to the multistate tax compact. This bill has been referred to the Senate Committee on Assessment and Taxation chaired by Sen. Caryn Tyson. This bill mirrors HB 2796 in the House.

SB 509: TAXATION. This bill, introduced by the Senate Committee on Assessment and Taxation, relates to tax credits for education expenses and would provide an education opportunity tax credit for taxpayers with eligible dependent children not enrolled in public school. This bill has been referred to the Senate Committee on Assessment and Taxation chaired by Sen. Caryn Tyson.

HB 2728: TAXATION. This bill, introduced by the House Committee on Taxation, relates to the value of real property and would require that comparable residential sales occur within the subdivision or township or closest located subdivision where such property is located. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2757: TAXATION/ADOPTION. This bill, introduced by the House Committee on Taxation, enacts the Adoption Savings Account Act that would allow individuals to establish adoptions savings accounts with certain financial institutions and would establish eligible expenses requirements and restrictions for such accounts. The bill would also require the Secretary of Revenue to adopt certain rules and regulations related to the Act and grant nonexclusive marketing authority to the Treasurer. Finally, the bill would establish addition and subtraction modifications for contribution to such accounts under the Kansas Income Tax Act. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2796: TAXATION. This bill, introduced by the House Taxation Committee, relates to the apportionment of income and would provide for the apportionment of business income by the single sales factor, requiring the use of single sales factor pursuant to the multistate tax compact. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith. This bill mirrors SB 507 in the Senate.

HB 2797: TAXATION. This bill, introduced by the House Taxation Committee, relates to tax credits and would provide for full transferability of tax credits for investments in certain qualified business facilities. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HB 2798: TAXATION. This bill, introduced by the House Taxation Committee, relates to income and privileged taxes, and would provide for the apportionment of business income by the single sales factor and the apportionment of financial institution income by the receipts factor. The bill would also establish deductions from income when using the single sales factor and receipts factor, providing for a decrease in corporate income tax rates. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HOUSE SUBSTITUTE For SB 127 (2023): TAXATION. This bill was originally introduced in 2023 by the Senate Assessment and Taxation Committee, and now the House Taxation Committee has replaced it with this substitute bill, which relates to property tax, income tax, and sales and compensating use tax. With respect to property tax, this bill would reduce penalties for the late filing of or the failure to file statement listing property for assessment and

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the discovery of escaped property and reporting changes after the initial assessment. With respect to income tax, this bill would decrease penalties for employers failing to timely remit withholding income taxes of employees. With respect to sales and compensating use tax, the bill would provide for a sales tax exemption for sales of property and services used in the provision of communications services. This bill has been referred to the House Committee on Taxation chaired by Rep. Adam Smith.

HOUSE SUBSTITUTE FOR HB 2450: TAXATION. This bill, introduced by the House Committee on Taxation, and now the House Committee on Commerce, Labor and Economic Development, would provide a sales tax exemption for the construction and remodeling of a qualified data center in Kansas, the purchase of data center equipment and eligible data center costs, electricity and certain labor costs to qualified firms that make a minimum investment of at least \$600,000,000 and meet new Kansas jobs and other requirements. On Feb. 14, the House Committee on Commerce, Labor and Economic Development, chaired by Rep. Sean Tarwater, recommended that the Substitute Bill be passed.

UTILITIES

HB 2736: PUBLIC UTILITIES. This bill, introduced by Rep. Carrie Barth (R-Baldwin City), relates to the reliability of electric generation facilities, would provide guidelines for decommissioning of certain electric generation facilities and would require utility to replace a closed or decommissioned facility with an equivalent amount of reliable and readily dispatchable electric generation. This has been referred to the House Committee on Energy, Utilities and Telecommunications.

HEALTHCARE AND INSURANCE

SB 512: INSURANCE. This bill, introduced by the Senate Committee on Federal and State Affairs, would prohibit companies from utilizing environmental, social and governance criteria in the process of writing contracts of insurance, indemnity, or surety and would authorize the attorney general or the county attorney or district attorney where a violation occurred to enforce such prohibition and would provide a civil penalty for such violations. This bill has been referred to Committee on Financial Institutions and Insurance chaired by Sen. Jeff Longbine.

HB 2752: HEALTH INSURANCE. This bill, introduced by the House Committee on Insurance, enacts the Dental Ratio Act, requiring the calculation of annual dental loss ratio by each dental benefit plan and would require each dental benefit plan to file an annual report and rebate certain dollar amounts to insured or plan administrators when the dental loss ratio percentage does not meet the required loss ratio percentage. The bill would also authorize the Commissioner of Insurance to adopt certain rules and regulations. This bill has been referred to the House Committee on Insurance chaired by Rep. William Sutton.

BILL TRACKING HISTORY

A history of the bills we are tracking as of Feb. 15, 2024, can be found [here](#).

Kansas Legislative Insights is a publication developed by the Governmental Affairs & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental 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, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the

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Kansas Legislature, contact Foulston Siefkin's Governmental 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

Co-Editor and Governmental 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 governmental 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 governmental 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.

Gary L. Robbins

Co-Editor and Governmental Affairs Consultant
785.640.2651
garyrobbinsconsulting@gmail.com | [View bio](#)

Gary, a governmental affairs consultant to Foulston Siefkin's Governmental Affairs & Public Policy practice group, provides legislative monitoring and lobbying services for Foulston's governmental relations clients. He holds a bachelor of science degree in history and political science from Southwestern College and a master's degree in labor economics from Wichita State University. Throughout his extensive career, Gary has served as CLE Director to the Kansas Bar Association and as Executive Director of the Kansas Optometric Association.

Eric L. Sexton, PhD

Contributing Author and Governmental Affairs Consultant
316.371.7553
esexton@foulston.com | [View bio](#)

Eric, a governmental affairs consultant to Foulston Siefkin's Governmental Affairs & Public Policy practice group, has nearly 30 years' experience providing strategic direction and governmental 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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