

NEWSLETTERS



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | MAY 15, 2020

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OVERVIEW

This week legislative committees met to address COVID-19-related legislation. The challenge of completing a one-day legislative business session requires advance preparation by key committees. Last Friday, House Speaker Ron Ryckman announced that four House committees would be meeting at least twice prior to May 21. The House Committees named were: Appropriations, Commerce and Labor, Judiciary and Taxation. The Judiciary Committee is scheduled to meet three times to address liability issues for businesses and healthcare professionals, the relationship between the branches of government during an emergency, and potential open records act exceptions during a health emergency.

As we noted last week, Senate President Susan Wagle had already announced key Senate Committees would also meet prior to May 21. On Wednesday, the State Finance Council rejected the Kelly administration's request to extend the governor's emergency order another 30 days to June 13. The Council voted to extend the governor's order only until May 25, thus giving the Legislature an opportunity to consider relevant emergency legislation. House and Senate Republican leaders have been critical of how the governor exercised her emergency powers.

On Thursday, Gov. Laura Kelly released her COVID-19 Plan 1.5. The 1.5 plan would ease restrictions on beauty shops, nail salons, and barber shops effective May 18.

In another development, the governor and the Kansas Department of Transportation announced 40 new road projects under the new Eisenhower Transportation Legacy plan.

HOUSE APPROPRIATIONS COMMITTEE

On Wednesday, the House Appropriations Committee received an update on federal funding for COVID-19. The federal funding totals \$2.5 billion with \$99.6 million sent to Sedgwick County and \$116 million allocated to Johnson County. The remaining \$346 million appropriation was earmarked for other local agencies. Numerous questions were raised concerning development of an effective reporting mechanism on regarding fund utilization. The

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committee will meet again today. The committee is planning to hear the Governor's plan to coordinate communication and reporting on the use of the funds.

HOUSE AND SENATE COMMERCE COMMITTEE UPDATES

On Tuesday and Thursday, the House Commerce and Labor Committee reviewed the unemployment benefits claims generated by the pandemic. Claims are starting to decline. The Kansas Department of Labor was asked about the projected cost to upgrade their problematic benefit claim filing system. The Kansas Department of Labor noted the importance of extending the emergency order in order to assure federal funding for unemployment benefits.

On Thursday, the House Commerce and Labor Committee heard testimony from business organizations on needed responses to the pandemic. The Kansas Chamber's top two priorities were liability protection for businesses acting in good faith and fixes to unemployment insurance. The Kansas Restaurant and Hospitality Association reported that 64,000 restaurant employees have been laid off. Currently, 38% of Kansas restaurants are temporarily or permanently closed. The U.S. Department of Labor was unable to testify but will be forwarding the details on federal unemployment programs and requirements on how states qualify.

The Senate Commerce Committee also met on Thursday with Senators expressing frustration from constituents over the inability to reach the Kansas Department of Labor to process claims or get questions answered. The Committee heard testimony from individuals experiencing ongoing problems. The Committee passed Senate Substitute for House Bill 2154, amending the employment security law with new language proposed by the Department of Labor in response to funding received in the Family First Act.

On Thursday, Gov. Kelly issued a press release defending her Secretary of Labor Delia Garcia in response to concerns raised during the Senate Commerce Committee. Gov. Kelly noted her team has worked tirelessly over the last two months to handle unprecedented demand for unemployment benefits. Between March 15 and May 9, the agency received 236,412 total initial claims. Last week, the agency had 115,536 continued weekly claims with 93,888 individuals receiving benefit payments.

TAX COMMITTEES

On Wednesday, the Senate Assessment and Taxation Committee passed three bills addressing property tax issues. One bill bundles seven different bills already heard by the committee. Senate Tax Chair Caryn Tyson identified SB 294 as passed by the Senate with 39 votes to be amended into HB 2118 which becomes Senate Substitute for HB 2118. Senate Vice President Jeff Longbine offered a key amendment providing a grace period for Kansas taxpayers unable to pay their property taxes. The grace period would extend until August 10. The delinquent publication date would be moved from August 11 to August 21. Newspaper publication of the delinquencies could not appear until September 1.

The House Taxation Committee met twice this week on Tuesday and Thursday. The committee discussed HB 2657 requiring marketplace facilitators to collect and remit sales and compensating use tax. The Committee discussed Senate Bill 294 which establishes notice and public hearing requirements prior to approval by a governing body to exceed its revenue neutral rate for property tax purposes. Senate Assessment and Taxation Committee Chair, Senator Caryn Tyson, appeared before the House Tax Committee and reviewed Senate tax bills in the House Committee that could be considered in conference committee.

JUDICIARY COMMITTEE

The House Judiciary Committee met on Wednesday and heard conferees on potential COVID liability legislation. The Kansas Medical Society testified in favor of their proposal relative to health providers. The Kansas Chamber

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testified in support of their proposal addressing the concerns of the business community relative to COVID litigation. Among the other organizations testifying were the Kansas Trial Lawyers Association, Kansas Bar Association, and nursing home patient advocates. The Committee meets again today.

Kansas Legislative Insights is a publication developed by the Governmental Relations & 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, it focuses on issues involving health care, 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 Kansas Legislature, contact Foulston Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

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Gary, a governmental affairs consultant to Foulston Siefkin's Governmental Relations & 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.

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