



## **Community Bankers Association of Kansas**

### **Kansas Legislative and Policy Report**

**February 11, 2025**

#### **Overview**

We are now less than two weeks away from Turnaround, the official midpoint of the Session. If that feels faster than ever before, that's because it is. Next week is the last week that is business-as-usual before Turnaround. Committees have just this next week to hear and work most bills before spending the following week on the floors of their respective chambers debating bills. With just one full week remaining of committee work, and increasingly tight deadlines for testimony submission and public participation, we suspect several questionable bills will arrive in the full chambers, which will likely make for lively debate the week of February 17<sup>th</sup>.

The fast-tracked budget process seems to be taking a toll on legislators and advocates alike, with tensions at times running high in the House Appropriations Committee. Budget subcommittees worked diligently to assemble budgets for all the state agencies, in some cases to only have the full Committee drastically alter subcommittee input. The full Committee, for example, made several notable cuts to the K-12 Education Budget subcommittee's recommendations, including cutting \$2 million to cover copayments for at-risk students to receive free school meals.

#### **Highlights of the Week**

1. The volume of bills has continued to grow rather exponentially. That will change dramatically next week, as the deadline to introduce most bills will have passed (except for the exempt committees, as usual).
2. House Appropriations has nearly finalized its budget, and should complete its work next week, before sending the House budget bill to the House floor for debate sometime during the week of the 17<sup>th</sup>.
3. On Thursday, the Senate on a 28-11 vote passed SCR 1603, the constitutional amendment capping property valuations. The vote breakdown can be found here: [https://kslegislature.gov/li/b2025\\_26/measures/vote\\_view/je\\_20250206151842\\_640542/](https://kslegislature.gov/li/b2025_26/measures/vote_view/je_20250206151842_640542/) Again, House leadership has made it clear that the measure will not advance in the House.
4. Additionally, the Senate also passed a bill that some are calling an "anti-government shutdown bill," SB 14, that allows the current year's budget to continue past the next fiscal year should the Governor not approve the budget passed by the Legislature. It passed 31-8 along party lines.

5. The anti-gender affirming care bill has arrived at the Governor's desk. We anticipate a veto, followed by a swift override in both chambers.

## **CBA Topics**

The House Financial Institutions Committee will delay working the public funds bill (HB 2152) for now but will revisit it after Turnaround. Following the hearing on February 3<sup>rd</sup>, it became clear that there were concerns from local governments that needed to be worked out. The Chair has told interested parties to work on compromise language to present to the Committee on February 26<sup>th</sup>.

An alternative property tax relief proposal is taking shape in the House, following the Senate's passage of SCR 1603 on Thursday. SCR 1603 would cap appraisals at 3% comparable to property tax values in tax year 2022. The House proposal instead would limit appraisal increases for residential property to a rolling six-year average of home values across the state or the current fair market value, whichever is less. The House plan would apply to new construction or remodeling that increases home value by 50% or more from the previous year. For new construction on a vacant lot the six-year average would be phased in with full market value applying in the first year. Like the SCR, the proposed HCR would go on the ballot in November.

## **Legislation of Interest**

Information about all bills is available at this link and are searchable by bill number: [http://www.kslegislature.org/li/b2025\\_26/measures/bills/](http://www.kslegislature.org/li/b2025_26/measures/bills/)

\*Newly introduced bills are in **bold**.

### Public Funds

- HB 2152: [https://kslegislature.gov/li/b2025\\_26/measures/hb2152/](https://kslegislature.gov/li/b2025_26/measures/hb2152/)
- House FI&P heard HB 2152 Monday, February 3<sup>rd</sup>.

### OSBC bills

- SB 139: Banks and trust companies; relating to the state banking code; updating certain definitions, terms and conditions therein; specifying that certain hearings be held in accordance with the Kansas administrative procedure act; updating certain internal references; requiring immediate notification of changes in board members; specifying that the charter of certain banks be deemed void on the effective date of a merger; establishing conditions under which it would be lawful to engage in banking without first obtaining authority from the commissioner.
  - OSBC's bill that was introduced earlier in Session. It has finally been made available:
    - [https://kslegislature.gov/li/b2025\\_26/measures/documents/sb139\\_00\\_0000.pdf](https://kslegislature.gov/li/b2025_26/measures/documents/sb139_00_0000.pdf)
- Updates to trust codes so that out-of-state trust companies are held to the same standards as Kansas trusts operating in other states; simplify the process for trusts doing bulk transfers of trust accounts with out-of-state institutions.
  - No bill number yet.

## ESG

- SB 16: Prohibiting discrimination by financial services companies on the basis of social credit score and requiring registered investment advisers to obtain written consent from clients prior to investing client moneys in mutual funds, equity funds, companies and financial institutions that engage in ideological boycotts.

## TEFFI

- HB 2235: Updating provisions of the TEFFI act by making the act part of the state banking code, adjusting and providing certain definitions, reducing the TEFFI charter application fee, authorizing the issuance of certificates and trust certificates, providing for the supervision of TEFFIs by the state bank commissioner and including Kansas nonprofit corporations as qualified charities for the TEFFI income tax credit.
  - Hearing in House FI&P Wednesday, 2/12, 9:00.

## Other

- SB 25: Enacting the insurance savings account act, allowing individuals and corporations to establish insurance savings accounts with certain financial institutions, providing eligible expenses, requirements and restrictions for such accounts and establishing addition and subtraction modifications under the Kansas income tax act.
  - Brought by the Kansas Insurance Department (KID).
  - Heard in Senate Tax, Wednesday, January 29<sup>th</sup>.
  - KID, Kansas Credit Union Association, and KBA testified in support. No opponents.
- SB 34: Authorizing the KPERS board of trustees to invest in bitcoin exchange-traded products and providing requirements, limitations, and definitions regarding such investments.
- SB 39: Establishing the Kansas legal tender act; reaffirming gold and silver coin as legal tender; providing an income taxation subtraction modification for gains from the sale of specie.
  - Introduced in Senate Fed & State; referred to Financial Institutions.
  - No hearing scheduled.
- SB 115: Enacting the Kansas bullion depository act to authorize the state treasurer to establish, administer or contract for the administration of bullion depositories and allowing for state moneys to be deposited in such bullion depositories and invested in specie legal tender.
  - Introduced in Senate Fed & State; referred to Financial Institutions.
  - No hearing scheduled.
- **HB 2281**: Establishing the Kanbucks program to authorize the state treasurer to invest in linked deposits with eligible financial institutions to provide linked deposit loans to eligible borrowers and abolishing the Kansas agricultural production, housing, extraordinary utility costs and economic recovery loan deposit programs and the city utility low-interest loan program.
- **HB 2336**: Providing for the apportionment of business income by the single sales factor and the apportionment of financial institution income by the receipts factor, deductions from income when using the single sales factor and receipts factor, the decrease in corporate income tax rates determining when sales other than tangible personal property are made in the state and excluding sales of a unitary business group of electric and natural gas public utilities.
- **HB 2337**: Imposing a fee on each international transaction by a money transmitter by wire, allowing the state bank commissioner to assess penalties for the nonpayment of such fee, providing for the distribution of such fee and penalty moneys, establishing the

criminal litigation fund, wire transfer fee fund and prosecutor and law enforcement grant fund and creating a misdemeanor crime of unlawful transmission of a wire transfer and providing criminal penalties therefor.

## **Upcoming Activities**

The legislative schedule of hearings is updated regularly throughout the week and can be found in the House and Senate calendars on the Legislature website at:

[https://kslegislature.gov/li/b2025\\_26/chamber/calendars/](https://kslegislature.gov/li/b2025_26/chamber/calendars/)

Additionally, all hearings are now available online live and archived by the end of each day. You can find those hearings on the Legislative YouTube at:

[https://www.youtube.com/channel/UC\\_0NO-Pb96CFABvxDwXAq8A](https://www.youtube.com/channel/UC_0NO-Pb96CFABvxDwXAq8A)

*Tuesday, February 11<sup>th</sup>.*

Senate FI&I. 9:30 AM.

- Hearing on SB 139: OSBC's bill updating certain definitions, terms and conditions relating to the state banking code.
- Possible final action on bills.

Senate Tax. 9:30 AM.

- Briefing on TIF district audit and IRB audit.

*Wednesday, February 12<sup>th</sup>.*

House Financial Institutions. 9:00 AM.

- Hearing on HB 2235 TEFFI: Updating provisions of the TEFFI act by making the act part of the state banking code, adjusting and providing certain definitions, reducing the TEFFI charter application fee, authorizing the issuance of certificates and trust certificates, providing for the supervision of TEFFIs by the state bank commissioner and including Kansas nonprofit corporations as qualified charities for the TEFFI income tax credit.

*Thursday, February 13<sup>th</sup>.*

House Tax. 3:30 PM.

- Hearing on HCR 5011: Proposing to amend section 1 of article 11 of the constitution of the state of Kansas to provide that valuations of residential property shall be determined based on the lesser of the fair market value or the average fair market value of the residential portion.

## **Wrap Up**

Let me know if you have any questions.

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