



Community Bankers Association of Kansas

Kansas Legislative and Policy Report - Turnaround Edition

February 24, 2025

Overview

Despite another round of snow—and bitter cold to boot—the Legislature was unphased by the weather last week and managed to debate over 150 bills in both chambers Tuesday through Thursday. The Senate wrapped up its work Wednesday evening, but the House debated nearly thirty more bills on Thursday. Now, the Legislature will take a long weekend break and return on Tuesday for the second half of the Session. It will be a long slog with no break to First Adjournment on March 28th.

This week's report details action on noteworthy bills, and how they fared during floor debate. Bills that managed to pass their chamber of origin now make their way to the opposite chamber for another round of vetting and debate. Though in some cases, a handful of those bills might escape further debate and instead sit waiting for conference committee action closer to First Adjournment. As a reminder, a bill must pass only one chamber in order to be eligible for conference committee, when bundling of bills into conference committee reports becomes quite common. Conference Committee Reports (CCRs) often include multiple bills and cannot be further amended on the floor.

While this report sums up action on bills last week, the busy calendar for this week reflects a return to the usual hearing schedule as committees now take turns hearing bills from the opposite chamber.

Highlights of the Week

1. The House passed its budget bill on Tuesday, about a month earlier than usual and nearly \$250 million less than last year's budget. It includes a 1.5% cut in the state's general operating expenditures with a couple of exceptions (i.e., capital improvements, state aid, etc.). The budget bill itself is over 350 pages, but Legislative Research has compiled a bill explainer that is only 137 pages that provides the big-picture highlights: https://www.kslegislature.gov/li/b2025_26/asures/documents/bill_exp_hb2007_01_00_00.pdf Other than a couple of minor amendments totaling less than \$2 million, the House passed the budget 83-36. An attempt to add \$20 million back in increased SPED funding failed on a vote of 40-76.
2. After the mid-session break, we will return to a more regular pattern of hearings for a couple of weeks. However, we do not know how the Senate will address the budget they have just received. We are waiting for a decision if there are going to be subcommittee hearings.

3. It is now even more unlikely that Medicaid Expansion will even have a courtesy hearing, as House leadership this week sent the bill, HB 2375, to the Interstate Cooperation Committee, which is where bills go when leadership does not want to see them again.
4. The Legislature this week voted to override the Governor's veto of SB 63, the anti-gender affirming care bill. The Senate voted 31-9 and the House 85-34 to override the veto.
5. Lastly, the Senate this week passed a bill expanding tax credits for private school scholarships. Initially a 100% tax credit on charitable contributions up to \$500,000, the bill was amended to the current 75% tax credit. While the bill passed 24-16, the Senate would have to pick up three votes to override a veto. The sixteen Senators voting no include a mix of Democrats along with both conservative and moderate Republicans.

CBA Topics

- House Financial Institutions will revisit the public funds bill, HB 2152, on Wednesday morning, and compromise language will be presented to the committee at that time.
- Last week, the House passed HB 2119 on a vote of 85-36. HB 2119 would abolish the affordable housing tax credit. Despite widespread opposition, the bill passed the House with a veto-proof majority. There will be efforts on the Senate side to cap the program as opposed to abolishing it altogether.
 - A separate housing bill, HB 2096, would provide for the transferability of Kansas housing investor tax credits from the year that the credit was originally issued.
 - https://kslegislature.gov/li/b2025_26/measures/documents/fisc_note_hb2096_00_0000.pdf
- HB 2336 has a hearing this Wednesday, February 26th, at 3:30 PM. HB 2336 would provide 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.
 - Introduced by the Kansas Chamber.
 - https://kslegislature.gov/li/b2025_26/measures/documents/hb2336_00_0000.pdf

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/

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

Public Funds

- HB 2152: https://kslegislature.gov/li/b2025_26/measures/hb2152/
- Last week, interested parties met with the Chairman and State Treasurer Johnson to discuss differences and work toward a compromise, which will be presented to the committee on Wednesday morning.

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.

- Passed the Senate unanimously.

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.
 - Exempt (introduced in Federal and State Affairs).

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.
 - Heard in House FI&P Friday, 2/14.
 - Not blessed, dead for remainder of Session.

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 29th.
 - Exempt and alive for remainder of Session.
- SB 34: Authorizing the KPERS board of trustees to invest in bitcoin exchange-traded products and providing requirements, limitations, and definitions regarding such investments.
 - Not blessed.
- 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.
 - Exempt.
- 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 allow 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.
 - Exempt but unlikely to receive hearing.
- 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.
 - Not blessed.

- 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.
 - Hearing in House Tax Wednesday at 3:30.
- HB 2378: Establishing the removal of squatters act, providing a procedure to remove a squatter from a dwelling unit, requiring owners or agents of dwelling units to provide an affidavit to the county sheriff, requiring notice to vacate by the sheriff, establishing the crime of providing a false affidavit and establishing a civil cause of action for wrongful removal of a person from a dwelling unit, allowing attorney fees and punitive damages.
 - The legislation was brought by Representative Will Carpenter (R-El Dorado). Kansas Association of Realtors testified in support and the Kansas Sheriffs Association testified neutral, citing some concerns with the bill, including some changes they would like to see (i.e., definition of immediate family; broadening it to other law enforcement officers other than just sheriffs) and that the Committee should consider if there should be judicial review.
 - Final action scheduled for Wednesday, February 26th.

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/

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

Monday, February 24th.

No Session.

Wednesday, February 26th.

House FI&P. 9:00 AM.

- Continued hearing and discussion on HB 2152 public funds.

House Tax. 3:30 PM.

- Hearing on HB 2336: Apportionment of business income by the single sales factor and the apportionment of financial institution income by the receipts factor.

Wrap Up

Let me know if you have any questions.

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