



Community Bankers Association of Kansas

Kansas Legislative and Policy Report

March 3, 2025

Overview

After a short Turnaround break, the Legislature returned Tuesday to get back to work. Committees are now back in bill-hearing mode, working on bills from the opposite chamber. There are essentially two more full weeks of committee work left before both chambers have a few marathon days of floor debate. March 18th is the last day for most committees to meet, followed by three days of floor debate. The following week, conference committees will meet on March 24th and 25th, followed by three more days of floor debate strictly on conference committee reports. Anything that is going to get passed needs to begin moving next week.

As we near the end of the session, the Legislature is still trying to address property tax reductions, and the House Tax Chairman has released a new plan. House Bill 2396 allows a taxing jurisdiction to exceed the property tax limit at the rate no greater than the midwestern Consumer Price Index with a protest petition. If a taxing entity does not increase its tax level, they become eligible for a new revenue sharing plan. The bill establishes a revenue fund for qualifying cities and counties. In short, HB 2396 would eliminate the RNR, and if a taxing jurisdiction stays at or under the lid, they are eligible for receiving a portion of a \$60 million demand transfer. If a city or county raises its property taxes, a petition process could cancel the tax increase. The \$60 million fund has a two-percent escalator. A jurisdiction's budget from the prior year would be adjusted to the Midwest CPI and new construction. The bill does not apply to school districts and other taxing entities.

The House Tax Committee also advanced its constitutional amendment, HCR 5011, which would institute a rolling average for valuations. While the full House may still vote on this measure, it seems HB 2396 may have even more momentum and bipartisan support.

Meanwhile, the committee process continues to move bills in almost every area.

Highlights of the Week

1. The Senate Ways and Means Committee began its work on the House budget this week, starting with negotiations on higher education institutions' budgets. At this time, the Senate budget subcommittees will not meet, and agency budgets will be deliberated before the full Senate Ways and Means Committee. On Wednesday next week, the Committee will consider both the DCF and KDHE budgets. Additionally, the Senate Ways and Means Committee will accept written-only testimony on the agency budgets, which is starkly different from in the past, when advocates and stakeholders have had a

second round at making their case to lawmakers for budget enhancements and support for special projects. Again, this suggests the Senate may have little appetite for including many enhancements as it looks to make its own mark on the House budget.

2. Also on the budget front, the House Appropriations Committee will hear Senate Bill 14 next week. Senate Bill 14 would provide for continuous state budgets until amended, lapsed, or eliminated by the legislature. The advancement of SB 14 might suggest that the Legislature is not entirely confident the Governor will sign whatever budget eventually lands on her desk; thus, SB 14 would provide funding ensuring that state operations can continue uninterrupted. The bill is similar to the federal budget continuing resolutions that provide short-term extensions of the existing budget terms.
3. The Medicaid Expansion bill, HB 2375, or “HAWK” Act—Healthcare Access for Working Kansans—has been re-referred to House Health, so this suggests there may be a courtesy hearing in House Health sometime in the next couple of weeks. (Though, not next week because House Health already has thirteen bills on its agenda).
4. On Thursday Senate Federal and State Affairs held a hearing on a controversial bill regarding non-citizen access to public benefits. SB 254 is an overly broad bill brought by the Attorney General that would severely restrict services to non-citizens and require local agencies and municipalities to verify citizenship and cooperate with homeland security. The Attorney General was the sole proponent that testified, while over 20 opponents were in person to testify. There were well over 100 pieces of written opponent testimony. Several individuals had offered their testimony in opposition, including faith leaders, local government representatives, and the KNEA. One individual, upset that time had run out for them to testify, began speaking over the chairman. Ultimately, the individual kept speaking and the hearing abruptly ended. This is yet another illustration that tensions are running high this Session, surely in some small part due to such a short and stressful schedule. The Committee will work the bill Monday.

CBA Topics

- House Financial Institutions will work the public funds bill, HB 2152, Monday morning at 9:00 and it is anticipated the committee will accept a balloon amendment compromise that both sides have agreed to. In short, the compromise includes the following:
 - Adoption of the centralized collateral pool, with amendments,
 - Eliminating bond changes,
 - Eliminating rate changes, but with new reporting and compliance requirements for municipalities (for those municipalities with expanded investment authority).
- Also on Monday, House Financial Institutions will hold an informational hearing on HB 2089. The bill is not exempt, so the committee will hold an informational briefing. HB 2089 would enact the consumer inflation reduction and tax fairness act and exempt the portion of a credit card transaction constituting a tax or gratuity from assessment of the fee charged by the card issuer.
 - https://kslegislature.gov/li/b2025_26/measures/documents/hb2089_00_0000.pdf
 - The bill was requested by NFIB.
- We have narrowed the list of bills to only those that are exempt or likely to still see some activity this session. As we are now less than one month from First Adjournment, the vast majority of bills and issues of interest have narrowed significantly, and only a small handful, HB 2152 included, will make it to the Governor’s desk.

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/
- Final action in the Committee on Monday, March 3rd, 9:00 AM.
- Passed out of the Committee and headed to the House Floor.

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.
 - Hearing in House FI&P on Wednesday, 3/5.

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).

Other

- HB 2089: Would enact the consumer inflation reduction and tax fairness act and exempting the portion of a credit card transaction constituting a tax or gratuity from assessment of the fee charged by the card issuer.
- 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 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 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.
- Exempt but unlikely to receive a hearing.
- 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.
 - Heard in House Tax Wednesday at 3:30.
 - HB 2336 would allow financial institutions to elect to apportion business income by the taxpayer's receipts factor for tax years 2025 through 2027.
 - The Kansas Chamber and several of its larger members offered testimony in support. The Kansas Bankers Association offered written proponent testimony which can be found here: https://kslegislature.gov/li/b2025_26/committees/ctte_h_tax_1/misc_documents/download_testimony/ctte_h_tax_1_20250226_05_testimony.html
 - The Chamber noted the significant fiscal note (\$115 million just in the first year) and said it had an amendment to reduce the fiscal note.
- 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 committee worked the bill and added some amendments. HB 2378 as amended: https://kslegislature.gov/li/b2025_26/asures/documents/hb2378_01_0000.pdf
 - In short, the amendment captures many of the concerns of the Sheriffs' Association and defines immediate family member; expands the definition of a dwelling unit to include commercial property and mobile homes; changes all references to "county sheriff" to "law enforcement agencies," and also ensures that the affidavit must be notarized.

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, March 3rd.

House Financial Institutions. 9:00 AM.

- Continued discussion and action on HB 2152 public funds. Passed out favorably.
- Hearing on HB 2089 (Informational Only): Enacting the consumer inflation reduction and tax fairness act and exempting the portion of a credit card transaction constituting a tax or gratuity from assessment of the fee charged by the card issuer. Will not be heard this session.

House Taxation. 3:30 PM.

- Hearing on HB 2318: Providing that future personal and corporate income tax rate decreases be contingent on exceeding tax receipt revenues.

Tuesday, March 4th.

House Appropriations. 9:00 AM.

- Informational briefing on Kansas Housing Resources Corporation.

House Taxation. 3:30 PM.

- Hearing on HB 2396: Authorizing the use of a protest petition to limit funding of a taxing jurisdiction by property tax revenues exceeding a certain amount, establishing the acknowledging stewardship of tax revenue and appropriations (ASTRA) fund; authorizing certain transfers from the state general fund to qualifying cities and counties and eliminating the revenue neutral rate requirements by taxing subdivisions and the taxpayer notification costs fund.

Wednesday, March 5th.

House FI&P. 9:00 AM.

- Hearing on SB 139: OSBC bill: updates to the state banking code.

Wrap Up

Let me know if you have any questions.

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