



Community Bankers Association of Kansas

Kansas Legislative and Policy Report

March 17, 2025

Overview

This was the last full week of committee meetings for the 2025 Session. Committees will finalize working bills on Monday and Tuesday and then spend Wednesday through Friday debating bills on the floors of both chambers. It is possible the Legislature may get a jump start on some conference committees late next week, but the bulk of conference committee work will take place the week of March 24th. The Legislature will adjourn by Friday, March 28th.

Highlights of the Week

1. This week, property tax relief took the back burner while Senate Ways and Means proceeded full speed ahead on the budget, finalizing its changes to the budget Thursday evening. Overall, the Senate made few enhancements, and in most cases, used alternative funding sources other than State General Fund dollars to fund any enhancements. They also cut the budget further than the House did, while spending a little more in some areas. The full Senate will debate the budget on Tuesday. Then, the budget conference committee will meet to work out the many differences.
2. Senate Bill 14, which is similar to the federal budget continuing resolutions, has now passed both chambers. 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 for funding ensuring that state operations can continue uninterrupted. The bill would continue the appropriations for the current year into the next fiscal year, making some accommodation for changes in federal funds and other specific areas. The bill passed the Senate earlier in the Session with a veto-proof majority, 31-8. This week, the bill passed the House 82-41. While the Governor certainly could veto the bill, it is likely the House would pick up the two votes needed for a veto override.

Again, property tax relief fell by the wayside somewhat this week, after the House passed its two measures last Friday. As a reminder, here are the main proposals still in play, some more so than others:

- HCR 5011: Creates a rolling appraised valuation increase average. If the amendment were to pass in the 2025 general election, the 2026 Legislature would have to pass follow-up legislation creating the six-year rolling average. Valuations of residential property would be determined based on the lesser of the fair market value or the average fair market value of the residential portion.
 - Passed the House 117-4.
 - Senate Tax will hear HCR 5011 on Monday.

- HB 2396: Allows limited property tax increases to account for inflation and new growth. Includes a protest petition process if a local government increases property taxes above inflation, where 10% of the voters can vote to stop the tax increase. If cities and counties stay below the inflation rate, they receive a disbursement from a \$60 million state fund, similar to the LAVTRF.
 - Passed 115-6.
 - Senate Tax will hear HB 2396 on Monday.
- SCR 1603: Caps annual valuation at 3%. Has passed the Senate but will not advance in the House.
 - Passed 28-11.
- SB 280: Requires the approval by a majority of electors voting at an election in order for the governing body of any taxing entity to increase its total amount of property tax to be levied by more than the annual rate of inflation.
 - Still in House Tax.
- Additionally, on Thursday, the House Speaker pro Tem introduced a new plan that would provide for tax relief using dollars generated from the elimination of sales tax exemptions. If passed, the amendment would be placed on the November 2026 ballot. The final proposal has not yet been made available. House Tax will hold an informational briefing on the proposal on Monday, but it seems unlikely it will advance this late in the Session.

CBA Topics

- The public funds bill as amended, Sub HB 2152, can be found [here](#). The bill passed the House on Tuesday 119-4. Senate FI&I began its hearing on the bill on Thursday and will continue the hearing Monday morning, followed by final action, most likely on Tuesday.
 - The bill is now a substitute bill, Sub for HB 2152, because of the substantive changes made with the adoption of the compromise language. The [supplemental note](#) details the specific changes on pages 13-17.
- [SB 39](#)—Establishing the Kansas legal tender act and providing for an income tax subtraction modification for sales of specie—was blessed after the deadline and referred from Financial Institutions to Senate Tax. It now has a hearing on Tuesday morning, March 18th in Senate Tax.
- [HB 2318](#)—Providing that future personal and corporate income tax rate decreases be contingent on exceeding tax receipt revenues—was amended by House Tax to include a corresponding privilege tax rate reduction. Representative Hoheisel offered the amendment that provides that as the income tax rate is reduced, the privilege tax rate is also reduced at a corresponding rate.
 - [KBA's testimony](#) on the bill, with privilege tax rate reductions on pages 3-5 of the testimony.
 - The amended bill is not yet available.
 - Awaits action on House floor.

Legislation of Interest

Information about all bills is available [here](#)

HB 2152: Public Funds

- Passed the House 119-4. Senate FI&I will wrap up its hearing tomorrow and is schedule for final action on bills on Tuesday.

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.
 - Advanced to final action in the House on Friday. The House will vote formally on Monday.

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.
 - Not alive for remainder of Session. However, House FI&P held an informational hearing on the bill on Monday, March 3rd.
- 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.
- 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 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
 - Passed out of House Tax as [amended](#).
- 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.
 - Passed the House 114-8 on Thursday, March 6th.
 - The House further amended the bill to remove language from the legislative findings regarding whether squatting is considered a crime, and removed language that would allow law enforcement to arrest persons found in a dwelling unit for certain crimes or for an outstanding arrest warrant.
 - [Bill summary](#) as amended.
 - Hearing in Senate Judiciary Monday, March 17th.

Housing

- HB 2119: Eliminating the Kansas Affordable Housing Tax Credit Act effective July 1, 2025.
 - Despite widespread opposition, passed the House 85-36.
 - In Senate Commerce. Amendment to cap the program instead of abolishing it is in the works.
 - Senate Commerce will take final action on Monday, March 17th.
- HB 2096: Providing for transferability of Kansas housing investor tax credits from the year that the credit was originally issued.
 - Passed the House this week 111-6.
 - Heard March 11th in Senate Tax.
- HB 2099: Permitting periodic inspections by a city or county for code violations of private residential rental housing where the property owner is receiving governmental rental subsidies.
 - Advanced out of House Local Government on 2/14 with the following three amendments:
 - Applies only to the City of Topeka.
 - 5-year sunset.
 - Applies only to property owners receiving HUD funding in particular.
 - Passed the House 111-12.
 - Heard in Senate Local Government on Tuesday, March 4th.
 - Possible final action on Tuesday in Senate Local Government.

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 17th.

Senate FI&I. 9:30 AM.

- Hearing continuation on HB 2152 public funds.

Senate Tax. 9:30 AM.

- Hearing on the House's two property tax relief proposals, HB 2396 and HCR 5011.

Senate Judiciary. 10:30 AM.

- Hearing on HB 2378 removal of squatters act.

Senate Commerce. 1:30 PM.

- Final action on bills, including HB 2119 eliminating affordable housing tax credit.

House Tax. 3:30 PM.

- Informational briefing on new tax relief proposal that is contingent on repeal of sales tax exemptions.

Tuesday, March 18th.

Senate FI&I. 9:30 AM.

- Final action on bills.

Senate Session. 2:30 PM.

- Sub HB 2007 state budget on General Orders.

Wednesday—Friday, March 19th-21st.
Floor debate in both chambers.

Wrap Up

Let me know if you have any questions.

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