



Community Bankers Association of Kansas

Kansas Legislative and Policy Report

March 24, 2025

Overview

We are rapidly approaching the end of the 2025 regular Session set for next Friday, March 28th. Committees met for the last time last week, finishing their work by Tuesday, before both chambers spent the remainder of the week debating bills on the floor. Floor debate days are always long and exhausting for lawmakers, with both chambers debating anywhere from 20 to 40 bills each day. This week, conference committees will meet to work through differences in bills that have passed either one or both chambers. Throughout the week, the House and Senate will review and approve conference committee reports that have been agreed to in conference committee. As a reminder, conference committee reports (CCRs) are different from bills in that they cannot be further amended on the floor; they simply must pass with a majority vote.

Highlights of the Week

1. The Senate passed the budget on Tuesday. Here is the 142-page [summary](#) of the budget bill, Sub for HB 2007. Despite efforts by Democratic Senators to restore funding for additional Special Education funding and to cover the co-pay for student meals, those efforts were ultimately not successful. The Budget Conference Committee met briefly on Thursday to comb through the 25-page spreadsheet of differences. However, the conference committee will not meet again until Monday to begin the real work of negotiations.
2. SB 14, allowing for continuous state budgets, and the previous year's budget should the Governor veto this year's budget, has now passed both chambers, the Senate 31-9 and the House 81-41. Should the Governor veto it, it is likely the House could pick up three votes to override the veto.
3. On Tuesday, the House passed [SCR 1611](#), a constitutional amendment on the August 2026 ballot that would provide for the direct election of supreme court justices and abolish the current process of the Supreme Court nominating commission. It was an incredibly close vote in the House, with House leadership managing to secure the 84 votes it needed to place the measure on the August 2026 ballot. Four Republicans voted against the amendment. The amendment passed the Senate earlier this month with the required two-thirds majority to place it on the ballot, 27-13. Four Republican Senators had also voted against the measure. The Governor can take no action on the amendment, and it will be on the August 2026 primary election ballot.

4. We are still at somewhat of an impasse on property taxes, with a few new developments this week. Here are where the major proposals stand currently, and none of these will be resolved until sometime next week once the Tax Conference Committee meets.
 - HCR 5011: A constitutional amendment that would have created the mechanism to set up a six-year rolling average. However, the Senate Tax Committee gutted the resolution and instead inserted the Senate constitutional amendment from earlier in the Session, SCR 1603, which institutes a 3% cap on valuations.
 - 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 inflation, they receive a disbursement from a \$60 million state fund.
 - Senate Tax made significant changes to the bill, most notably preserving the RNR process instead of eliminating it, imposing the 10 percent protest petition on any increase, and removing the tax relief fund.
 - Then, on Thursday, The House [amended](#) the contents of HB 2396 as it had passed the House (115-6) into another bill, SB 35, with a few changes:
 - Retain the roll call vote when elected officials adopt the budget.
 - A protest petition notice, similar to the RNR notice, will be mailed out to all taxpayers if the taxing jurisdiction exceeds the tax lid in place. Instead of a focus on the mill levy, the tax dollars will instead be listed, with the prior year's tax levied, the dollar amount, and the current year's proposed levy, and what that difference is.
 - Distribution from the ASTRA fund based on assessed valuation instead of the mill levy.
 - Renews the statewide 20 mill levy for schools.
 - 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.
 - Died in Senate Tax this week on a 5-5 vote.
5. On the income tax front, SB 259 was passed this week by the Senate that makes income tax reductions contingent on state revenues exceeding inflation. That [bill](#) passed the Senate 30-10 and will be discussed in conference committee. It would reduce the state's two personal income tax brackets to 4.5% when state revenues exceed inflation. It would also lower the state's corporate and privilege tax rates.

CBA Topics

- The public funds bill, [HB 2152](#), has now passed both chambers. Senate Financial Institutions made a few technical changes to the bill before advancing it to the full Senate where it passed unanimously.
 - Passed the House 119-4 and Senate 40-0.
 - Possible conference, or House may simply concur with the Senate's minor changes.

- [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.
 - Heard and advanced out of Senate Tax this week. Senator Michael Murphy (R-Sylvia), Kansas Campaign for Liberty, and Freeman Global Investment Counsel testified in support. no neutral or opponents. The Committee advanced the bill despite opposition from some committee members, including Senate Vice President Tim Shallenburger.
 - The Senate then passed the bill [28-12](#) and it is eligible for conference committee.
- [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.
 - Passed the House [84-34](#).
 - [SB 259](#) also provides a privilege tax rate reduction contingent upon growth in state tax receipts in excess of the rate of inflation.

Legislation of Interest

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

[HB 2152](#): Public Funds

- Has passed both chambers. Awaits House agreement to Senate changes, or heads to the Governor for her approval.

OSBC bill

- 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 both chambers unanimously.
 - Conference-eligible.

Other

- [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.
 - Passed the House 109-9.
 - Eligible for conference.
- 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.
- Heard in Senate Judiciary but has not passed Senate.
- Eligible for Conference.

Housing

- [HB 2119](#): Eliminating the Kansas Affordable Housing Tax Credit Act effective July 1, 2025.
 - Passed the House 85-36.
 - Passed out of Senate Commerce Monday with an amendment to allow for the 9% credit but eliminates the 4% tax credits.
 - The full Senate did not debate the bill, but it is eligible for conference.
- HB 2096: Providing 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.
 - Eligible for conference.
- [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.
 - Advanced out of Senate Local Government. Has not passed the Senate but is conference eligible.

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—Friday, March 24th-28th.

Conference Committees to meet; Floor action to review and approve Conference Committee Reports.

Monday, March 24th.

FI&I Conference Committee. 9:00 AM.

Friday, March 28th.

First Adjournment.

Monday, March 31st.

Joint Committee on Child Welfare System Oversight. 9:00 AM.

April 10th-12th.

Veto Session.

Wrap Up

Let me know if you have any questions.

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