



Community Bankers Association of Kansas

Kansas Legislature Veto Session Report

April 14, 2025

Overview

The Legislature has adjourned sine die Friday, April 11th. This means that should the Governor veto any additional legislation passed during the short two-day Veto Session, the Legislature has no recourse and any vetoes would stand. However, for the most part, the Legislature passed a handful of bills either unanimously or ones that are considered mostly non-controversial.

Over the last two days, the Legislature has been largely successful in rather easily overriding the Governor's vetoes on most bills, as well as on a handful of [line-item vetoes](#) in the budget. The Legislature did not override all the Governor's line-item vetoes, but about seven ranging from pregnancy crisis center funding to the Kansas Arts Commission to leasing costs for the press organizations that office in the Statehouse.

In addition to overriding the Governor's vetoes, the Legislature finalized negotiations on a couple of additional property tax-related items, as well as [legislation](#) establishing the Office of Early Childhood that also makes changes to current childcare licensing and regulations.

The consensus revenue estimates will be released next week. These provide the latest outlook for the state's economy and revenue for the next 18 months. Since the Legislature is adjourning prior to the latest revenue projections, coupled with the latest round of tax cut bills and economic uncertainty, there may be some slightly increased potential for a special session to address the state's budget and economy. Additionally, should there be sweeping changes to services such as Medicaid or education as a result of potential federal directives or cuts, those kinds of issues may warrant the Legislature returning for discussion and action. When the consensus revenue estimates are released next week on April 17th, we may have some more insight into some of these issues.

For now, the Legislature is adjourned until January 2026. After the Legislature takes some time away, legislative leadership will begin convening to discuss interim meetings and topics to begin over the summer. We will keep you posted as those topics and conversations develop.

CBA Topics

- The Legislature for the most part avoided any further significant tax debates during veto session, failing to pass any significant property tax relief legislation, despite lengthy negotiation in Tax Conference Committee.
- Both chambers overrode the Governor's veto on SB 269 that provides income and privilege tax reductions contingent upon positive state revenue trends.

Legislation of Interest

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

Bills Approved by the Governor

- [HB 2152](#) public funds.
- [CCR on SB 139](#): OSBC Bill. 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.

Tax Issues Resolved During Veto Session

- [CCR on HB 2231](#) (includes 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.
 - Now included in CCR on HB 2231. Includes HB 2336, and a couple of property tax exemption-related policies.
 - Passed both chambers and awaits Governor's response.
- [CCR on SB 269](#): Providing that future personal, privilege, and corporate income tax rate decreases be contingent on exceeding tax receipt revenues.
 - Vetoed and overridden.

Housing

- CCR on HB 2289: Affordable Housing Tax Credit.
 - The Commerce Conference Committee ultimately came to a compromise on the low-income housing tax credit, reducing the credit as opposed to eliminating it altogether. [CCR on HB 2289](#) allows for the 9% credit but eliminates the 4% tax credits, reducing the fiscal note from \$25 million to \$8.8 million per year. Other aspects of the agreement include:
 - The total amount of credits awarded in 2025 cannot exceed \$25 million.
 - The program will expire on December 31st, 2028.
 - Also includes provisions of [HB 2096](#) regarding the Kansas Housing Investor Tax Credit.
 - Passed both chambers and awaits Governor's response.
- [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.
 - Included in [CCR on HB 2116](#), which did not advance during Veto Session.

Upcoming Activities

The legislative schedule in large measure during the interim period will be shaped in the upcoming months by legislative leadership. We will know and report more in the coming weeks.

Wrap Up

Let me know if you have any questions.

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