



Community Bankers Association of Kansas

Legislative & Policy Update

June 30, 2025

Overview

The Legislature has been gone for over two months and until mid-June there have been limited legislative activities. The interim legislative committee hearing cycle has begun slowly with only a few meetings taking place and we do not anticipate any increased activities until August at the earliest. Currently there are few issues arising, while most attention is focused on Congress and federal activities. The House-passed budget and tax cut reconciliation bill remains in the Senate and the leadership has promised to pass the bill before the July 4th holiday break. Additionally, federal agency activities in almost all areas have begun or are considering significant changes from healthcare, to education, to agricultural policy. Resolution of those issues in the coming weeks will dictate some of the work that lies ahead in Kansas.

Among the recent topics of interest are:

- May revenue exceeded projections by \$176 million, although concerns about the out-years of available funding continue.
- The Kansas/Missouri battle for the location of the Kansas City Chiefs and Royals should be coming to some resolution after the Missouri special legislative session in early June concluded in an incentive package valued at \$1.5 billion to cover 50% of the costs, while the Kansas tax incentive exceeds \$1.5 billion and is available to cover 75%. The Kansas incentive expires June 30, 2025, and something will happen prior to that date.
- Senator J.R. Claeys (R-Salina) and Representative Patrick Penn (R-Wichita) have both recently resigned their positions in the state legislature to serve in the Trump administration in the USDA.

Interim study topics and standing as well as specially appointed committees have been appointed and the special committee membership can be found here:

https://www.kslegislature.gov/li/b2025_26/committees/non_standing/#Joint Additionally, the requested topics of interest are included below. It is possible not every topic will be studied, but this official list from the Legislative Research Department reflects the issues likely to be addressed.

CBA Topics

Thus far the 2025 legislative interim period has included few activities specific to the interests of Kansas financial institutions. In part, May and June following the legislative session rarely have much activity related to state government. And as noted above, a great deal of attention currently is focused on pending federal policy and funding issues.

Our May report included reference to a couple upcoming interim meetings in the late summer and fall. This month we are including a list of the specific issues that several key committees will examine this fall. These are excerpts from the official list that is available here: <https://klrd.gov/wp-content/uploads/2025/05/Final-approved-committee-days-LCC-2025.pdf>

Legislative Budget Committee

(Topics 2-3, Requested by Chairperson Hoheisel, House Committee on Financial Institutions and Pensions)

Study changes to public funds (2025 HB 2281) and an overview of 2025 HB2281; and

Review similar programs in neighboring states including Missouri's MOBUCK\$ program. This topic did not receive its own special committee, but the Legislative Budget Committee will spend a portion of one of its meetings on this topic.

Special Committee on Tax

Requested by Tax Chairs Tyson and Smith, to examine several topics, including the following: Countywide retailers' sales tax authority and apportionment, mass appraisal process and its uniform application across counties, processes and staffing at BOTa, progression of and source of authority for property tax exemptions, and the repeal of sales tax exemptions and creation of an endowed permanent fund to provide for future tax relief, as proposed in [2025 HCR 5014](#).

Special Committee on Commerce

(Topics 7-11, Requested by Chairperson Hoheisel, House Committee on Financial Institutions and Pensions)

- Evaluate all existing housing tax credits and their respective cost analysis.
- Review the effectiveness of other state housing programs, such as the
- Reinvestment Housing Incentive District program.
- Explore banking and nonprofit programs that support housing.
- Review local government incentives that address housing shortages; and
- Assess local zoning ordinance reforms.

(Topics 6-10, Requested by Representative Xu, and Senator Clifford)

- Study the current housing inventory and projections for future needs.
- Study barriers to new residential development, including zoning laws, infrastructure costs, and labor shortages.
- Study the impact of state and local regulations on housing supply and affordability.
- Study the potential incentives or policy changes to encourage construction and rehabilitation of housing; and
- Study innovative housing modes that could be adapted to meet the needs of diverse communities across Kansas.

(Topics 1-2, Requested by Senator Owens)

- Study issues related to the regulations and utilization of cryptocurrency; and
- Review steps Kansas could take to encourage investments in cryptocurrency as a tool for economic development.

Pensions and Financial Institutions

Review and Recommend Changes to the Retirement System, Fiduciary Financial Institutions' Operations in Kansas, and Public Money's Investment

(Topics 1-4, Requested by Chairperson Hoheisel, Joint Committee on Pensions,

Investments and Benefits)

- Review reports regarding working-after-retirement exceptions; and
- Review and respond to changes required by 2025 law and allocate time to the continued study into options and alternatives relating to KPERS Tier 3 plan design and overall benefit value.

TEFFI Update

- On June 25th, Sunflower State Journal (SSJ) reported that Beneficient CEO Brad Heppner had resigned immediately on June 19th, following auditing requests he declined to participate in.
- As it relates to the probable future of Beneficient's TEFFI activities in Kansas, SSJ cited an email attached to the SEC filing that reported that "Mr. Heppner believes that the only viable course for the company at this point is an orderly wind down of operations." So, it appears TEFFI's time in Kansas may be quickly ending.

Upcoming Activities

Tuesday, July 1st. 12:00 PM.

Education Funding Task Force.

Wednesday, July 2nd. 9:00 AM.

Education Funding Task Force.

Wrap Up

Let me know if you have any questions.

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