

## Community Bankers Association of Kansas

### Kansas Legislative and Policy Report

#### 2026 Session Week 1 Update

**January 16, 2026**

#### Overview

It was a busy first week of the 2026 Kansas Legislative Session. There have been few bill hearings thus far, but committees wasted no time reviewing legislation from last year, receiving state agency updates, and even began agency budget deliberations. When the Legislature schedules First Adjournment for the end of March, not a moment can be wasted. And the midpoint of the Session—when bills must pass their chamber of origin—is set for just over a month away, February 19<sup>th</sup>.

The first week was filled with the usual—the Governor’s [State of the State](#) address on Tuesday evening—followed by the presentation of her budget on Wednesday. Again, now that the Legislature has recently taken over the budget process, the Governor’s budget becomes somewhat less relevant, and easier for the Legislature to control. The Governor’s address focused largely on her accomplishments and bipartisan efforts over the last seven years (including last year’s passage of the Office of Early Childhood), as well as the Governor sharing her support for this year’s [SB 302](#) which would ban cellphones in schools. The [Speaker’s response](#) focused instead on Republican leadership’s hopes for property tax relief in 2026.

Thus far, and as anticipated following the House Speaker’s revelation last week, there have been no murmurs of redistricting during the first week. However, as expected, the Legislature is eager to establish some oversight and control over the federal Rural Health Transformation Grant (RHTG) program that amounts to \$221 million in the first of a five-year award. That bill, [HB 2463](#), would turn control of the program over to the State Finance Council, made up of legislative leadership and the Governor.

Next week is largely more agency updates and budget committees busy assembling agency budgets, with the bulk of bill hearings likely to begin in week three. We have started, fast, with generally minimal controversy or conflict, although those are sure to come. Despite the expectation the Legislature might avoid most controversial topics during an election year, some contested tax, voting, education, and health policy issues are brewing. The speed of this session will be reflected in our reports and our focus mainly on bills that are getting hearings and legislative action.

## **Financial Institutions Updates**

CBA provided an overview of who CBA is along with the state of community banking in Kansas to the House Financial Institutions Committee, which we will also provide for Senate FI&I next Tuesday. OSBC discussed its legislative priorities with the Committee, including a bill to address crypto-ATMs. The bill, which has not yet been introduced, would establish the virtual currency kiosk consumer protection act and establish regulations for cryptocurrency kiosks. OSBC is also working on an amendment to the Kansas Financial Institutions Information Security Act to add earned wage access providers to the entities already subject to the Act. A bill was also introduced in Committee on Wednesday that would make changes to prepayment penalties in the KMBIA.

KBA also shared its priorities and provided an update noting that financial fraud remains a top issue, with much of that concern driven by cryptocurrency. Chairman Hoheisel noted there would be additional conversations about cryptocurrency later in Session. In addition to the crypto-ATM bill, we also expect legislation related to voluntary trusted contact reporting.

Several committee members also asked about the decline in state-chartered banks and the consolidation of banks.

Lastly, the Chairman expressed interest in having CBA return later in Session to share the latest QCBI report with 2025 fourth quarter data, but that will not happen until after Turnaround (February 19<sup>th</sup>).

## **Legislation of Interest**

### Property Tax Proposals

Most committees did not hold bill hearings this week, but the Senate Assessment and Taxation Committee got right to work, hearing the latest proposed constitutional amendment that would cap property tax assessed value increases. [SCR 1616](#) would limit assessed value increases by 3% (or less) annually. There are widely varying perspectives on whether SCR 1616 would ultimately provide property tax relief, with proponents arguing it provides assurance to homeowners that there is a limit to how much their property taxes can increase. Opponents largely argued it shifts the property tax burden among different property classes and reduces revenue for critical public services.

- Proponents included Senator Thompson, City of Basehor, Kansas Deere Dealers Association, a Leavenworth County Commissioner, and the Kansas Policy Institute.
- Opponents included Kansas Farm Bureau, Kansas Association of School Boards, Kansas Building Industry Association, Kansas Livestock Association, and the Kansas Realtors.
- The Kansas Chamber, Kansas Association of Counties, and League of Municipalities were neutral.

Chair Tyson shared she plans to work the bill on Tuesday, January 27<sup>th</sup>. We do not believe SCR 1616 will advance in the House, should it pass the Senate.

### OSBC bills

- [SB 316](#): Authorizing the state bank commissioner to establish a nonprofit organization incorporated under the laws of Kansas to provide charitable consumer financial education initiatives in Kansas.

### TEFFI

- [HB 2417](#)/SB 301: Authorizing OSBC to revoke a TEFFI charter, subject to approval by the Legislative Coordinating Council (LCC).

- [HB 2418](#)/SB 300: Prohibiting OSBC or any other state agency from becoming a receiver for a TEFFI that becomes insolvent or declares bankruptcy.

## 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's [website](#).
- All hearings are available online live and archived. You can find those hearings on the Legislative [YouTube](#).

### Tuesday, January 20

Senate Financial Institutions and Insurance. 9:30 a.m.

- Overview and updates on Kansas Banking by CBA and KBA.

Joint House & Senate Commerce. 1:30 p.m.

- Discussion on home ownership issues.
- Update on the Kansas Department of Commerce.
- Briefing on Kansas Housing Partners.

### Wednesday, January 21

House Financial Institutions. 9:00 AM.

- Credit Unions presentations.

## Wrap Up

Let us know if you have any questions.

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