



## **Community Bankers Association of Kansas**

### **Kansas Legislative and Policy Report**

#### **2026 Session Turnaround Report**

**February 23, 2026**

#### **Overview**

This week's report focuses on the bills we have followed during the first half of the session. There were few hearings on Monday, and the balance of the week was spent on the House and Senate floors. The turnaround week has concluded, and most bills that are advancing have passed their chamber of origin and are headed to the opposite chamber. We have removed the inactive bills to focus on those still alive for the second half of session. If any bills are restored for action, we will add them back.

There are several significant issues we expected to advance this week that await resolution when the Legislature returns from their long weekend. The House and Senate have both created budget bills, but neither chamber has debated, voted, and advanced the bills to the other chamber in order to begin the conference committee process. It appears the budget bills will remain open and serve as the baseline for any additional spending in both chambers. It is likely the bills will be passed in the next two to three weeks in advance of First Adjournment on March 27<sup>th</sup>. Additionally, the House property tax plan, House Bill 2745, passed out of committee with very mixed reviews because it caps municipalities' (excluding school districts) budget growth by 3 percent annually, and a protest petition of 10% can overrule the elected local government's budget that exceeds 3 percent. The bill was not brought to the House floor before the break, indicating there is still some uncertainty about the bill and its prospects.

We are updating the status of bills and identifying the handful of hearings during the abbreviated week ahead. The Legislature returns Tuesday, and the current schedule is relatively light. Beginning on Monday, there are about three weeks of committee work ahead, and a week for committees to negotiate differences in bills in conference committees. The regular session concludes on Friday, March 27<sup>th</sup>.

#### **Financial Institutions Updates**

It is now officially the midpoint of the Session and neither Chamber has advanced a property tax relief plan (or a budget). Of course, that is not unusual, but leaves much work to be done over the next several weeks. Here's where HB 2745, the House tax bill, stands as of the Turnaround break:

- [HB 2745 as amended](#). House leadership property tax relief bill.
  - [Summary](#) of the bill as amended.

- Advanced out of House Tax on Monday with the amendments detailed below but not debated in the House. Any further discussion on the bill will happen after the Turnaround weekend.
- Protest Petition: Instead of an election when exceeding the 3% threshold, a protest petition that would require signatures from 10% of voters from the last presidential election so that the city/county stays under the 3% cap.
- Increased property tax revenues as a result of annexed property, expiration of TIF, RHID or other economic development tools, payment of obligations, bonds, etc., is not factored into a taxing jurisdiction exceeding the 3%.
- Clarifying the distribution from the relief fund: The distribution formula amendment was added, that clarifies the amount apportioned to you if you stay below the 3% threshold, shall be distributed to the county and to all other taxing jurisdictions (except USDs) based on the ratio of the property taxes levied by the taxing jurisdictions.

Additionally, this week, there will be a few hearings on tax-related bills from the 2025 Session, including HB 2318, which would provide future income and privilege tax rate decreases contingent on exceeding tax receipt revenues. Senate Tax will also hear HB 2336 which would provide for the apportionment of business income by the single sales factor and the apportionment of financial institution income by the receipts factor. A short summary of both bills is included below.

### **Legislation of Interest**

- New bills shown in **bold**.

#### Fraud & Consumer Protection

- [HB 2515](#): Enacting the virtual currency kiosk consumer protection act, providing definitions, establishing requirements for virtual currency kiosk operators, imposing certain limits on virtual currency kiosk transaction amounts and charges, and authorizing the attorney general and any law enforcement agency to investigate reports of fraudulent money transmission and report to OSBC.
  - Passed the House [118-5](#).
  - Hearing in Senate FI&I next Thursday, 2/26.
- [HB 2591](#): Authorizing financial institutions to report suspected financial exploitation of an adult account holder to a designated agency, notify any adult designated as a trusted contact by such account holder of suspected financial exploitation and place a temporary hold on certain transactions or disbursements.
  - Amended on the House floor to prevent unintended consequences and adds guardrails to ensure that a temporary hold is not solely based on age, the transaction amount, or an individual's refusal to provide information. Additionally, the temporary hold must be signed off by management and reported to authorities if it results in a freeze of funds.
  - [Summary](#) of bill as amended.
  - Passed the House unanimously.

#### OSBC bills

- [SB 410](#): Providing that earned wage access service registrants are subject to the Kansas financial institutions information security act.
  - Passed the Senate unanimously.

## TEFFI

- SB 300: Prohibiting OSBC or any other state agency from becoming a receiver for a TEFFI that becomes insolvent or declares bankruptcy.
  - Passed the Senate unanimously. Awaits hearing in House FI&P.

## Other

- [HB 2497](#): Prohibiting the assessment of a prepayment penalty against any party more than six months after the execution of a note evidencing a home loan made primarily for personal, family or household purposes secured by a real estate mortgage.
  - Passed the House 87-37.
- [HB 2590](#): Enacting the Kansas community property trust act to authorize the use of community property trusts during the marriage of settlor spouses and amending the Kansas uniform trust code to allow trustees to reimburse settlors of grantor trusts, authorize the use of designated representatives for trusts and permit the terms of a governing instrument to expand, restrict or eliminate certain general rules applicable to fiduciaries, trusts and trust administration.
  - Passed the House 123-1.
- [HB 2648](#): Enacting the social media and telecommunications fraud accountability act, requiring social media platforms to exercise reasonable care in preventing the dissemination of fraudulent advertisements, prohibiting falsely identifying names or numbers on telephone caller ID systems and the unauthorized use of a bank name in electronic advertisements or solicitations and making violations of the act an unconscionable act or practice under the Kansas consumer protection act.
  - Informational briefing likely after Turnaround.
- [SB 115](#) (from 2025 Session): Kansas bullion depository act. Authorizes the state treasurer to establish, administer or contract for the administration of bullion depositories and allowing for state moneys to be deposited in such bullion depositories and invested in specie legal tender.
  - SB 115 unlikely to advance.
  - [SB 39](#) from the 2025 Session is a similar bill. Heard in House FI&P on Monday, February 16<sup>th</sup>, but it is not as far-reaching as SB 115. SB 39 would provide an income tax subtraction modification for gains from the sale of certain forms of gold and silver.

## Other Tax Legislation of Interest

- [HB 2541](#): Enacting the Kansas rural business growth program act, providing a premium tax credit to incentivize capital investment in rural areas and establishing a program to be administered by the secretary of commerce for the purpose of incentivizing such investment.
  - Heard in House Tax Monday, 2/9.
  - Program eligibility requirements and tax credit details can be found in the [fiscal note](#)/bill summary.
  - Kansas Chamber, KBA, League of Municipalities, Kansas Grain and Feed Association, Advantage Capital, and Sutherland Capital testified in support.
  - Department of Commerce is neutral, but notes in its [testimony](#) that a tax credit such as this in HB 2541 “could be highly impactful for the state’s economy.” Commerce’s testimony notes that “local lenders and community-based financial institutions are largely sidelined under the current framework.”
  - Exempt and alive for remainder of Session.
- [HB 2318](#) (from 2025 Session). Providing that future income and privilege tax rate decreases be contingent on exceeding tax receipt revenues.
  - Introduced by Kansas Chamber.

- Americans for Prosperity, Grain & Feed, KBA, Kansas Policy Institute, and National Federation of Independent Business in support.
- Passed the House [84-34](#).
- Hearing in Senate Tax Tuesday, February 24<sup>th</sup>.
- [Summary](#) of the bill as amended by the House.
- [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.
  - Introduced by Kansas Chamber.
  - Bill from 2025 that passed the House 109-9.
  - Hearing in Senate Tax Wednesday, 2/25.
  - Cargill, Pfizer, KBA, Hallmark, Grain & Feed, and Kansas Chamber supported the bill last year.

### **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](#).

### **Monday, February 23**

- No Session.

### **Tuesday, February 24**

- 9:30 Senate Tax: Hearing on HB 2318: Providing that future income and privilege tax rate decreases be contingent on exceeding tax receipt revenues.

### **Wednesday, February 25**

- 9:00 House FI&P: Guest Speaker Doug Wareham, KBA; Dr. Emily Breit, FHSU Robbins Banking Institute. Presentation on Kansas Small Business Development Center.
- 9:30 Senate Tax: Hearing on HB 2336:

### **Thursday, February 26**

- 9:30 Senate FI&I. Hearing on HB 2515 crypto ATMs.

### **Wrap Up**

Let us know if you have any questions.

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