



Community Bankers Association of Kansas

Kansas Legislative and Policy Report

First Adjournment Report

March 30, 2026

Overview

The Legislature adjourned late Friday night (technically just after midnight on Saturday), after having narrowly passed its budget and failed to pass a constitutional amendment capping property valuations. The Legislature did, however, manage to pass Sub HB 2745, the controversial bill that would restrict local governments', including school districts', budget growth. However, is passed by very slim margins in both chambers—22-18 in the Senate and 63-59 in the House. It will almost certainly be vetoed and not overridden by the Legislature.

There will indeed be a Veto Session, beginning April 9th and likely lasting only a couple of days, for the Legislature to attempt to override any gubernatorial vetoes, and also possibly for the Tax Conference Committee to meet again and see if they can work out a different agreement on property tax relief that is more palatable to the Legislature. We also suspect the Legislature will have a bit of revising to do on the budget as it relates to state employee pay. Legislators on both sides of the aisle had extreme heartburn over including only a 1% raise for state employees, while the budget included a roughly 4% raise for legislators. It is likely the Governor could line-item veto that provision of the budget, and the Legislature could revisit that issue. While veto sessions have historically been relatively limited to the Legislature addressing gubernatorial vetoes, we have seen in recent years the Legislature taking action on other issues and attempting to address unfinished business (i.e., agreement on a tax plan).

We will take a short refrain from our weekly updates this week but will be back in touch mid-week next week before Veto Session begins on the 9th. By then, we will have a better idea of what bills the Governor has either vetoed or signed into law, and what else the Legislature may choose to address while they are back in Topeka for just a short time.

Financial Institutions Updates

This week's report details the following: Legislation that is resolved; Legislation passed and awaiting the Governor's response; and Legislation that may still be alive during the veto session beginning April 9th.

This time of the year, it can be challenging to find the latest and final version of bills, particularly bills placed in conference committee reports, often with bill numbers that do not

match the bills as they have been tracked during the session. Proposed bills and their official explanation can be found [here](#).

Bills Awaiting Governor's Response

Fraud & Consumer Protection

- Several bills of note, including HB 2515 (crypto ATMs), SB 410 (earned wage services access), and SB 300 (TEFFI) added into HB 2591 (trusted contact) as a combating financial fraud bundle. Those bills were all combined into [CCR on HB 2591](#) which passed both chambers unanimously. Includes the following:
 - 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.
 - SB 300: Prohibits OSBC from becoming a receiver for a TEFFI that becomes insolvent or declares bankruptcy.
 - SB 410: Providing that earned wage access service registrants are subject to the Kansas financial institution's information security act.
 - 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.

Other

- [CCR on 435](#): KPERS technical clean-up bill that also includes provisions of SB 524: trailer bill related to the public moneys pooled investment method from last year regarding administration, fee structure, operation, etc., of the program.
 - Passed both chambers unanimously.
 - Requires written agreement between banks and State Treasurer to be designated as a depository for a municipal corporation or quasi-municipal corporation's public moneys.
 - Requires the State Treasurer to be a party to agreements in which the custodian of funds for each governmental unit and an officer of the depository bank, savings and loan association, or savings bank decide to reduce the amount of security for the deposits of the governmental entity.
 - Regarding deposit of public moneys and state moneys, amends the market value of assets required to secure public deposits from 100 percent to 102 percent of the amount deposited.
- [CCR on 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 74-51 and Senate 32-8.
- [CCR on 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 both chambers unanimously.
- HB 2378 (from 2025 Session): 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, 2025.
 - 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.
 - Passed the Senate 39-1.
- [SB 375](#): Enacting the proxy advisor transparency act, requiring proxy advisors to make certain disclosures when recommending an action against company management, authorizing the attorney general to investigate and take enforcement actions against violators.
 - Passed out of House FI&P with an amendment clarifying that banks and savings and loans with 10% or less proxy advisory services are exempt from the bill (amendment requested by the KBA).
 - [Summary](#) of the bill as amended.
 - [State Treasurer](#) is in support.
 - Passed the House 84-40 and Senate 32-8.

Issues Possibly Alive for Veto Session

Property Tax Policy

- The effort to either limit appraisal increases or limit budget growth for local governments has been chaotic.
- In the last days of the regular session, there were three competing plans to cap budget growth or limit valuation increases. All three bills were finalized and advanced by either the Senate Taxation Committee or the Tax Conference Committee.
 - [Constitutional amendment 1603](#) that would limit residential, commercial, and industrial, and agriculture valuation growth to no more than 9 percent, or any rate less than 9% the legislature sets. (Failed in the House).
 - [Sub for HB 2745](#): Capping school districts and local government growth at no greater than 3% or Midwest CPI (whichever is less) per year without a protest petition process (10%) to go higher.
 - Sub for HB 2396, the same as Sub for HB 2745 but with an election to exceed 3% or Midwest CPI.
- Sub for HB 2745 passed the House and Senate, well below the veto-proof margin and the Governor will almost certainly veto the bill. It passed the Senate 22-18 and the House 63-59.
- SCR 1603 passed the Senate but failed in the House, 59-63.
- Sub for HB 2396 was not debated in either chamber at the end of the regular session.
- It is possible the Tax Conference Committee resumes discussion on variations of these issues when they return for the Veto Session.

Bills that are Dead

- SB 39: Establishing the Kansas legal tender act and providing for an income tax subtraction modification for sales of specie.
- [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.
 - Expect interim discussions and 2027 Session topic.

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](#).

Thursday, April 9th

- Veto Session begins.

Wrap Up

Let us know if you have any questions.

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