



Community Bankers Association of Kansas

Kansas Legislative and Policy Report

January 29, 2024

Overview

Week Three finally saw the first week of the Session with no weather disruptions, and it seems committees are now settling into their customary fast pace as various legislative deadlines approach in the next few weeks. The mid-point of the Session is four weeks away and the budget, a good number of policy bills, and up to now a fairly calm atmosphere prevails.

Highlights from the Week

- On Friday, the Governor vetoed the tax package passed last week. The package includes a 5.25% flat tax the Governor adamantly opposes. Additionally, the Governor's tax plan, detailed below, is scheduled to have a hearing in Senate Tax next Wednesday. It includes many of the provisions of the bill she vetoed, but of course, no flat tax.
- Attention turns to the Senate for consideration of an override, though it may be close, with the package having passed the Senate on a vote of 25-11. Four senators were absent: two Democrats and two Republicans, one of which supports the Governor's tax plan.

Big Picture Issues

Session Timeline

- Attention now shifts the next few weeks to assembling the state budget. Budget hearings and deliberations for the large state agencies begin next week through late February. This expedited budget process will likely mean that some of the most contentious issues may be left by the wayside in the interest of a timely adjournment ahead of campaign season.
- We also approach the deadline for most bill introductions on February 5th and the volume of bills introduced will dwindle, thankfully.

What's Next

- The hearing on the Governor's tax plan next week will undoubtedly draw a crowd, but it remains doubtful how far her proposal will move. Most likely, her plan identifies some components for the next tax package.
- Thus far, we have avoided debate on most of the divisive issues we have seen over the last few sessions such as transgender rights, school vouchers, and anti-vaccination efforts. Of course, this could change, but are hopeful that shifting the focus now from taxes to the state budget will consume much of the Legislature's time and attention for the next several weeks.

CBA Topics

This week, OSBC introduced the UCCC modernization bill, along with the Credit Union Association introducing its bill, HB 2561, which would authorize domestic credit unions to operate outside of the state. The UCCC bill does not yet have a number, as the revisor's office is in the process of proofing before it can be made available.

2024 Legislation

UCCC Modernization

- Introduced in Senate FI&I on Wednesday, January 24th. Undergoing final round of edits and proofing by the revisor.

Credit Union Statute Modernization

- HB 2561: Authorizing domestic credit unions to operate outside of the state, providing civil penalties for certain violations, allowing the administrator to enter into informal agreements, removing requirements regarding duplicate filings, establishing appeals procedures for suspended credit and supervisory committee members, and requiring the members of a merged credit union to approve such merger.
- Bill text: https://kslegislature.org/li/b2023_24/measures/documents/hb2561_00_0000.pdf
- Hearing in House FI&I on Wednesday, January 31st. CBA and KBA are officially neutral as the bill currently stands.

HB 2345 Supported Decision-Making

- HB 2345 is a bill concerning supported decision-making and would enact the supported decision-making agreements act to provide a statutory framework for adults who want decision-making assistance.
- Bill text: https://kslegislature.org/li/b2023_24/measures/documents/hb2345_00_0000.pdf
- No movement on the bill this week.

Upcoming Activities

The legislative schedule of hearings is updated regularly throughout the week can be found in the House and Senate calendars on the Legislature website at:

http://kslegislature.org/li/b2023_24/chamber/calendars/

Additionally, all hearings are now available online live and archived by the end of each day. You can find those hearings on the Legislative YouTube at:

https://www.youtube.com/channel/UC_0NO-Pb96CFABvxDwXAq8A

Monday, January 29th.

House Financial Institutions. 9:00 AM.

- Hearing on HB 2562: Enacting the protect vulnerable adults from financial exploitation act.

Tuesday, January 30th.

House Agriculture & Natural Resources Budget. 1:30 PM.

- Budget hearing on OSBC.
- Budget recommendations on OSBC.

Wednesday, January 31st.

House Financial Institutions. 9:00 AM.

- Hearing on HB 2561 credit union bill.

Senate Tax. 9:30 AM.

- Hearing on SB 377 Governor's tax plan.

Thursday, February 1st.

Senate Tax. 9:30 AM.

- Hearing on SB 306: Including losses from investments in technology-enabled fiduciary financial institutions in Kansas adjusted gross income for income tax purposes.

Wrap Up

Let us know if you have any questions.

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