



## **Community Bankers Association of Kansas**

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

**March 4, 2024**

#### **Overview**

It was an incredibly quiet, and short, week of work at the Statehouse. The Legislature took a brief break on Monday and Tuesday, and even though they officially resumed work on Wednesday, it was quiet and mostly uneventful in the building. With little to no movement on all of the big issues, it seems much of the momentum is stalled for many policy issues as well. The budget committees continued to grind through the budget review and recommendation process. Every Session is different, but the pace this year seems especially unique, with not much happening in public through the midpoint. That will change as we approach the end, but the expediency of the budget process coupled with a lack of time spent on controversial issues, is a notable change from the last several years.

This report will be somewhat abbreviated, given the short week.

#### **Highlights from the Week**

- Several committees did not meet this last week; however, both house and senate health committees held hearings on a couple of notable and controversial bills that would prohibit gender affirming care services. Last year, similar legislation advanced through the conference committee process but was vetoed by the Governor. We suspect that may be the case again this year.

#### **Session Timeline**

- Committees will resume work this week and have just one month to advance bills to the opposite chamber.
- Three more weeks of committee work, then floor work in both chambers the week of March 25<sup>th</sup>.
- First Adjournment is set for Friday, April 5<sup>th</sup>. There is some discussion percolating that the Legislature may not return for a Veto Session. But we are still a long way from the possibility of that.

#### **What's Next**

- We will focus on detailing the issues still in play at this point, including any blessed bills and issues that have a possibility of advancing.
- The budget will be assembled on both sides next week, in preparation for the budget conference committee to begin in a couple of weeks. Both chambers will likely debate and vote on their budgets the week of March 11<sup>th</sup>.

## CBA Topics

It was an especially quiet week for the financial institutions' committees, and this week will be largely devoted to KPERS topics in both committees. The UCCC legislation should continue making its way through the process and should have a hearing on the House side the following week.

### Legislation of Interest

UCCC Modernization (Sub HB 2247)/House Version has also been introduced, HB 2812.

- Introduced in Senate FI&I on Wednesday, January 24<sup>th</sup>.
- SB 495 (now Sub HB 2247): [https://kslegislature.org/li/b2023\\_24/measures/sb495/](https://kslegislature.org/li/b2023_24/measures/sb495/)
- Heard in Senate FI&I on Tuesday and Wednesday, February 13<sup>th</sup>-14<sup>th</sup>.
- CBA submitted written proponent testimony.
- OSBC and KBA testified in support.
- Kansas Manufactured Housing Association testified neutrally with some concerns regarding personal property manufactured home loans, which OSBC will address administratively.
- Senate FI&I inserted the contents of SB 495 into a House "shell," HB 2247. Now that it has passed the Senate, and because it is in a House bill, the House now has the opportunity to simply concur, and it could be on its way to the Governor. Before that happens, there will be a courtesy hearing in House FI&P.
- Passed the Senate 33-7 on February 22<sup>nd</sup>.

### OSBC Legislation

- HB 2560: Providing when applications under the state banking code are considered abandoned or expired and allowing an originating trustee to have such a trustee's principal place of business outside of Kansas.
  - Heard in House FI&I Monday, February 5<sup>th</sup>.
  - Provisions of HB 2560 are included in the UCCC bill, SB 495 (now Sub HB 2247).
  - HB 2560 deals with applications that are considered abandoned or expired and streamlines the process for OSBC. Currently, it takes a long time for OSBC to review pending applications that have been approved but the bank or trust may not yet be engaged in activity. Under current law, OSBC can request a withdrawal; however, OSBC cannot demand a withdrawal. This legislation allows OSBC to move on from an application that has not met all the requirements.
  - Additionally, HB 2560 modifies a trust statute to remove some inefficiencies caused by current law that requires both the contracting and originating trustee to both be located in Kansas in order to do a bulk transfer.
  - Passed the House 119-0 on 2/22.
  - Hearing in Senate FI&I Tuesday, March 5<sup>th</sup>.

## 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.
- Heard in House FI&I on Wednesday, January 31<sup>st</sup>.
- Allows domestic credit unions to do business outside of Kansas if permitted by laws of the other jurisdiction. In short, it simplifies the merger process, clarifies the enforcement authority of the Department of Credit Unions, and removes the barrier of operating solely within state boundaries.
- Adds three new sections to state credit union code and makes some amendments to remove requirements regarding duplicate filings; establishes appeals procedures when suspended credit union supervisory committee member and changes some approvals for credit union mergers.
- Passed out of House Financial Institutions on 2/6 without amendment.
- Passed the House on February 15<sup>th</sup>, 114-3.
- Heard in Senate FI&I on Wednesday, February 28<sup>th</sup>.

## Other Financial Institutions-Related Legislation

### SB 446 Foreign Land Ownership

- SB 446: Legislation brought by the Attorney General that would prohibit acquisitions of ownership interests in certain Kansas real property by foreign individuals and entities unless authorized by the state land council and establishing the state land council.
- Heard on February 7<sup>th</sup> in Senate Federal & State Affairs.
- All major agriculture groups are strongly opposed.
- Several issues with the bill, including broad language, would make it nearly impossible to enforce.
- Exempt and alive for remainder of Session.

### SB 494/HB 2757 Adoption Savings Accounts

- Enacting the adoption savings account act, allowing individuals to establish adoption savings accounts with certain financial institutions, providing eligible expenses, requirements and restrictions for such accounts and establishing addition and subtraction modifications for contributions to such accounts under the Kansas income tax act.
- Exempt.
- HB 2757 heard in House Tax on Tuesday, February 20<sup>th</sup>.
- Proponents included Senator Blasi (R-Wichita), Representative Estes (R-Wichita), the State Treasurer, as well as Heartland Credit Union Association and KBA.

### SB 512 ESG

- Prohibiting insurance companies from using environmental, social and governance criteria in the process of writing contracts of insurance, indemnity, or suretyship, authorizing the attorney general or the county attorney or district attorney where a violation occurred to enforce such prohibition and providing a civil penalty for violations thereof.
- Exempt.

## 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.
- No movement on the bill.
- Exempt.

## Kansas Specie Legal Tender Act

- SB 513/HB 2729: Enacting the Kansas specie legal tender act and the Kansas bullion depository act, authorizing the state treasurer to approve electronic currencies backed by specie legal tender and 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.
  - HB 2729 will be heard in House Financial Institutions on Monday, Feb. 19<sup>th</sup>.
  - SB 513 will be heard in Senate Fed & State Affairs on Monday, Feb. 19<sup>th</sup>.
  - Requested by Senator Thompson on the Senate side.
  - Sponsored by coalition of thirty lawmakers on the House side, including conservative Republicans and a handful of Democrats:  
[https://kslegislature.org/li/b2023\\_24/measures/documents/hb2729\\_00\\_0000.pdf](https://kslegislature.org/li/b2023_24/measures/documents/hb2729_00_0000.pdf)
  - Legislation is unlikely to advance, especially on the House side. There is a chance it will pass out of Senate Federal & State Affairs, but the Committee is especially divided on the issue, and it may not have the support it needs to advance.

## 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/](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](https://www.youtube.com/channel/UC_0NO-Pb96CFABvxDwXAq8A)

*Monday, March 4<sup>th</sup>.*

*Tuesday, March 5<sup>th</sup>.*

Senate FI&I. 9:30 AM.

- Hearing on HB 2560: OSBC bill: Updates when applications under the state banking code are considered abandoned/expired; allowing originating trustee to have such trustee's principal place of business outside of Kansas.

*Wednesday, March 6<sup>th</sup>.*

## **Wrap Up**

Let us know if you have any questions.

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