



BRADEN · HEIDNER · LOWE  
& ASSOCIATES

# LEGISLATIVE REPORT



**GREATER KANSAS CITY CHAMBER**

**FEBRUARY 21, 2020**

## **OVERVIEW**

The 2020 Legislative Session is fast approaching its first major deadline, known as Turnaround. Turnaround is essentially the “halfway point” of the regular session in which most bills (except a few exempt committees) must be passed by their chamber of origin in order to continue through the process. Committees met furiously this week to hold hearings and recommend bills to be considered by the House and Senate on the floor. Next week will see committees meet on Monday to wrap up lingering issues with Tuesday, Wednesday and Thursday dedicated for the House and Senate to debate bills on the floor.

The next few days of session are critical as hundreds of bills are expected to die on February 27 if they are not passed by their chamber of origin. Since the 2020 session is the second of the two-year session cycle, this includes 2019 proposed bills that became active again on the first day of session.

Medicaid Expansion and the proposed constitutional amendment dealing with abortion are still the two elephants in the room, slowing the session’s momentum and grinding other health policy related bills to halt. The Senate Public Health & Welfare Committee considered action on the Medicaid Expansion Bill but failed to recommend it out of committee.

Two other major issues, beyond the state budget, captured attention as committees made progress on legalizing sports betting and approving a new comprehensive transportation plan. KDOT’s Forward plan, contained in HB 2588 and SB 375, attracted a score of proponents with no opposition in the House Appropriations Committee and Senate Ways & Means Committee. The Senate Federal & State Affairs Committee advanced SB 283, which would allow folks within the state of Kansas to place wagers on sporting events while at a casino or on an interactive application on their phone.

## **FORWARD KANSAS TRANSPORTATION PLAN**

Scott Smith, Co-Chair of the KC Chamber Transportation Big 5 Initiative, testified on HB 2588 and SB 375 this week. These bills which are KDOT’s comprehensive transportation bills also known as FORWARD were heard in both House Appropriations and Senate Ways and Means committees this week. FORWARD is a new ten-year transportation plan but is a rolling plan as far as project selection. Specifically, the bill allows the KDOT Secretary to select projects for development and construction every two years, after a series of local consultation meetings. There is not a new tax proposed to fund FORWARD; the Department has stated the plan can be funded if the Legislature does not sweep funds from the State Highway Fund. The bill was generally lauded in both committee hearings. The bill may be considered for action next week.

## **TOBBACO 21**

The House Federal and State Committee passed out HB2563, which would increase the age to sell regulated tobacco products to 21. The bill now goes to the full House. John Jenks of the KC Chamber testified in support of the bill to have Kansas conform to the Federal law.

## **WORKFORCE DEVELOPMENT**

HB 2506, which allows new Kansas residents or military spouses who are licensed in another state to have their license be transferred to Kansas, moved out favorably from House Committee on Commerce, Labor and Economic Development on Friday. An amendment was added that was a compromise between proponents and some of those that voiced concerns during the initial hearing. During the hearing, many of the state licensure boards testifying in opposition citing concerns with the bill's time requirements. One of the changes the amendment made was moving the current bill's time requirement from 10 business days to 15 days for military personal and 45 days for everyone else. The amendment also allows the licensing body the option to deny a temporary permit if they believe that issuing a temporary permit would jeopardize the health, safety, and welfare of the public.

The Senate Commerce also held a hearing on SB 366. SB 366, like HB 2506, allows new Kansas residents or military spouses who are licensed in another state to have their license be transferred to Kansas. John Jenks with the KC Chamber testified in support of SB 336 stating that Streamlining licensing reciprocity is good for business and they've had military members reach out to help with this issue. This bill will help remove barriers to workforce preparedness. Action by the committee has been scheduled for Monday.

## **CRIMINAL JUSTICE REFORM**

House Corrections and Juvenile Justice committee worked multiple bills this week including two that John Jenks testified on last week. Committee worked both HB 2496 and HB 2547. Both bills passed out of committee favorable and are now on the House calendar ready to be work.

## **CORPORATE TAX BILL**

The House Tax Committee held a hearing on HB 2553. The bill, introduced by the Kansas Chamber, includes language to allow amounts attributable to the disallowance of FDIC premiums paid by certain large financial institutions to be excluded from Kansas income taxation. Most of the committees' discussion revolved around the bill's GILTI (Global Intangible Low-Taxed Income) provisions. The committee is expected to work the bill in the coming weeks. The major task for the two tax committees is finding policy both chambers support that can avoid a veto from Governor Kelly.

## **ECONOMIC DEVELOPMENT**

The House Commerce, Labor and Economic Development heard HB2529 on Monday. HB2529 would extend the STAR Bonds program and make reforms to the program. The KC Chamber provided neutral testimony, supporting the extension of the program, but not taking a position on the specific reforms.

The same Committee heard HB2689 on Thursday. This bill would amend the angel investor tax credit with respect to the definition of qualified securities, tax credit limitations and amounts, investor requirements and extending the date that credits may be allowed. The KC Chamber also supported this bill. No opposition was presented at the hearing.

The Committee also heard HB 2702 on Wednesday. HB 2702 would decouple the KIT and KIR workforce training programs from the high-performance incentive fund program (HPIP) and enhancing the workforce training tax credit. In the hearing the Kansas Department of Commerce, Kansas Chamber, and Kansas Economic Development Alliance resources and HPIP would be better utilized by companies participating in

both HPIP and KIT/KIR. Dollars allocated for KIT/KIR could be used by companies that focus on training. No opposition was presented to the committee during the hearing.

#### **LINKS TO NEXT WEEKS CALENDAR**

[http://www.kslegislature.org/li/b2019\\_20/chamber/documents/daily\\_calendar\\_senate\\_20200221091514.pdf](http://www.kslegislature.org/li/b2019_20/chamber/documents/daily_calendar_senate_20200221091514.pdf)

[http://www.kslegislature.org/li/b2019\\_20/chamber/documents/daily\\_calendar\\_house\\_20200221110950.pdf](http://www.kslegislature.org/li/b2019_20/chamber/documents/daily_calendar_house_20200221110950.pdf)

#### **QUESTIONS?**

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