



LEGISLATIVE REPORT



GREATER KANSAS CITY CHAMBER

MAY 22, 2020

Overview

Legislators returned to Topeka on Thursday for Sine Die, the final day of the 2020 Legislative Session, and wrapped up the session 24 hours later at 8:00am. Several Senate and House committees met in recent days to receive updates and review the status of bills. Most discussion centered on the impact of the COVID-19 crisis, while a couple committees attempted to wrap up issues near the finish line.

The House and Senate worked over a long day and through the night to resolve a handful of issues. Bills were approved that limit liability for businesses and healthcare providers against litigation related to COVID-19, providing limitations on the Governor's ability to declare state emergencies and delay property tax payments to be due on August 10, without interest or penalties. The Legislature also approved an economic relief bill to provide flexibility for banks while lending.

With the legislative session officially over, eyes now turn to elections. All 165 legislative seats are up for election, along with the four congressional seats and a U.S. Senate seat being vacated by Senator Pat Roberts. The filing deadline for candidates is June 1 at noon.

KEMA Limitations, Liability, Coronavirus Funds and Other Provisions

S Sub for HB2054, was the last bill to be passed by the Kansas legislature, and is receiving the most attention as it limits the Governor's powers for distribution of funds and oversight for emergency management declarations, as well as provisions for liability protection and unemployment insurance guidelines. Many of the provisions are temporary, with either a date certain, or after the emergency declaration is ended. It is not clear whether or not the Governor will sign the bill.

- Coronavirus Relief Fund appropriations and oversight
- Ratification of state of disaster emergencies
- Limits on business closure or cessation
- First responder notifications
- KDADS duties regarding adult care homes
- Telemedicine, hospital space use, and temporary licensing of certain health care professionals
- Unemployment insurance
- Amendments to KEMA
- Healthcare and business liability (modified to remove premises owner liability provisions)
- Provision regarding court videoconferencing
- Provision ratifying certain notarial acts
- Additional temporary licensing of healthcare professionals
- A provision regarding sale of alcoholic liquor on a curbside basis
- Provisions regarding authority of local officials

All moneys in the Coronavirus Relief Fund and other funds received by Kansas would go into a newly created fund in the Legislative Coordinating Council (LCC) and the present fund under the Governor be abolished. Agencies would submit requests to the Director of Budget, who would submit to the Legislative Budget Committee, who would make recommendations to the LCC. Expenditures would be approved by a vote of five members of the LCC.

The bill would create a new section of law ratifying the COVID-19-related state of disaster emergency declared by the Governor on March 12, 2020, and ratified and continued by concurrent resolution through May 1, 2020. The bill also would ratify and continue through May 31, 2020, the state of disaster emergency declared by the Governor on April 30, 2020, and extended by the State Finance Council through May 26, 2020.

This section also would prohibit the Governor from proclaiming any new COVID-19-related state of disaster emergency during 2020, unless the Governor makes specific application to the State Finance Council and such action is approved by an affirmative vote of at least six legislative members. It also adds restrictions to order the closure or cessation of any business or commercial activity. The bill also addresses many powers of the Governor in a state of disaster and addresses the authority of local governments.

The bill would create the COVID-19 Response and Reopening for Business Liability Protection Act and would provide immunity from civil liability for healthcare providers in response to COVID-19 state of disaster emergency under KEMA.

The bill would also include that a person (or agent of such person) conducting business in Kansas shall not be held liable for a COVID-19 claim if the act or omission alleged to violate a duty of care was mandated or specifically and affirmatively permitted by a federal or state statute, regulation, or executive order passed or issued in response to the COVID-19 pandemic and applicable to the activity at issue at the time of the alleged exposure. The bill would state this provision would apply retroactively to any cause of action accruing on or after March 12, 2020. Premise liability was not included.

It also covers that a person who designs, manufactures, sells, distributes, provides, or donates a qualified product in response to the COVID-19 public health emergency shall not be liable in a civil action alleging a product liability claim involving the product if any of the above actions were taken at the specific request of or in response to a written order or other directive finding a public need for a qualified product, issued by the Governor, Adjutant General, or Division of Emergency Management, and the damages are not occasioned by willful, wanton, or reckless disregard of a known, substantial, and unnecessary risk that the product would cause serious injury to others.

Education Bill Passed

S Sub for HB 2510 would provide free ACT exams for Kansas high school students and provide for concurrent and dual enrollment for high school students. It would also require the Kansas State Department of Education (KSDE) and the Department for Children and Families (DCF) to prepare an annual academic report card on educational outcome data regarding foster care students and provide tuition free opportunities for foster care students.

The bill also established the Kansas Promise Scholarship Act (KPSA), which would provide scholarships for students to attend an "eligible postsecondary educational institution." The bill would define such an institution to include community or technical colleges established by law, the Washburn Institute of Technology, or any two-year associate degree program or technical certificate program offered by a private postsecondary educational institution that has its primary location in Kansas. The KPSA would be administered by KBOR. Eligibility and other requirements of KBOR were outlined.

Property Tax Bill Passes

S Sub for HB 2702, as amended, would establish new notice and public hearing requirements for certain taxing subdivisions if those taxing units are planning on increasing property taxes above a "revenue neutral" amount; prohibit certain real property valuation increases, and provide a one-time delay in the deadline for payment of property taxes, enact the Taxpayer Protection Act, extend certain income and privilege tax filing and payment

deadlines, authorize county treasurers to establish partial payments and establish payment plans for all property taxes, and provide for county discretion in handling de minimis property tax penalty charges. The bill also would repeal, beginning in 2021, the current property tax lid law applicable to cities and counties. The bill would extend, for tax year 2019, the deadline for filing income and privilege tax returns otherwise due April 15, 2020, through July 15, 2020, to July 15, 2020. The bill would also prohibit the imposition of penalty or interest associated with such returns if the liability is paid on or before July 15, 2020. The bill would authorize county treasurers to establish partial payments and establish payment plans for all property taxes. Current law grants treasurer's authority to accept partial payment for delinquent property taxes.

Economic Relief for Lending Institutions

The Legislature also approved an economic relief bill to provide flexibility for banks while lending. The bill (HB 2619) creates the Kansas economic loan recovery program for a linked deposit loan program that allows financial institutions to apply with the State Treasurer's office to use \$60M of idle PMIB funds to be available for small business loans with a \$250,000 limit with a 3.25% cap. HB 2619 also includes the language to allow banks to deduct interest income from agricultural real estate loans and single-family housing loans in rural areas with a population less than 2,500. In turn, credit unions will be allowed to expand the potential size of their membership base.

Medicaid Expansion

There was a failed attempt by Senator Dinah Sykes to amend a bill on the Senate floor. No effort was made on the House side, thus ending the hopes for Medicaid Expansion in the regular 2020 session.

Taxation, Economic Development and Workforce Development

The majority of taxation, economic development and workforce development bills introduced and worked during the 2020 session were not worked during the last day of that session. Those issues included license reciprocity; liability for employers and business to help expand work-based learning programs in high schools; corrections reform; STAR Bonds reform (one-year extension passed in earlier budget); decoupling KIT/KIR from HPIP; extension of angel investor tax credits; broad band task force; and internet sales tax provisions and general business tax reform measures.

What did pass was an economic development electric rate for large new customers and elimination of the requirement of regulated utilities to pass state income taxes.

Next Report

The next report will be any updates to the legislation passed at Sine Die. There will also be a report on the candidate filings for the 2020 Kansas House and Senate and Congressional Primary Election after the June 1 filing deadline. The Kansas Primary election is Tuesday, August 4, 2020.

Questions?

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