



## **Kansas Association of Counties Legislative Update** ***March 22, 2024***

Welcome to the 2024 Kansas Legislative Session. This is the second year of the biennium, so bills and resolutions from the 2023 Session **do** carry over to the 2024 Session. Bill numbers also carry over, meaning they pick up where they left off last year, rather than starting over at 1 (Senate) or 2001 (House). It also means that legislation that was “dead” last year has been revived and can be debated again this year during the legislative session.

For a review of common legislative terms, please refer to the [Common Legislative Terms](#) list on KAC’s website or bookmark this link: <https://www.kansascounties.org/legislative/common-legislative-terms/view>

Summaries of all legislation passed during the 2023 session can be found at [www.kslegresearch.org](http://www.kslegresearch.org) under the Publications tab by searching the 2023 Summary of Legislation and 2023 Legislative Highlights.

### **What Happened This Week**

First Adjournment is right around the corner. With that in mind, we are seeing more bills move out of committee and significantly more floor activity as both chambers scramble to get legislation passed before the deadline.

This update is going to be longer than most of the rest of the session as there are a multitude of bills that are available for votes on the floor of either chamber, with several having the opportunity to become eligible for conference committees. It’s like the basketball tournaments, with several bills sitting on the bubble, hoping they make the final cut.

On to the update!

A new bill that we have not talked about got a significant amount of activity this week. [HB 2842](#) deals with government cybersecurity. While the bulk of the bill focuses on the state level cybersecurity, there is a good bit of interaction between the state system and counties, particularly with the district courts, although there is also contact through elections, motor vehicles, criminal justice and multiple other touch points. KAC and the Judicial Branch have been working together on the district court issues. KAC has also been in contact with the Office of Information Technology Services (OITS) regarding the executive branch departments.

HB 2842 was introduced on Friday, had a hearing on Monday and was amended, then voted out of committee on Wednesday. As you might anticipate with something moving so quickly, there are still questions about this legislation, as there are a variety of opinions on what the bill specifically requires. Many technical details still need to be worked out on this bill.

The two competing constitutional amendments, [HCR 5025](#) would amend Section 1, Article 11 of the Kansas Constitution to change the valuation of residential property to a ten year rolling average to determine the fair market value, and [SCR 1611](#) would amend Section 1, Article 11 of the Kansas

Constitution to limit the increase in valuation on real property in Kansas to 4% per year were both heard on the same day (Tuesday).

There is interest in moving one of these proposals forward, but the challenge is that both amendments have problems that need to be addressed via amendments before they go on the ballot. SCR 1611 is further along in the process, having already passed the Senate, but may not have the necessary votes (84) to advance in the House.

The House also introduced a new tax plan, [HB 2844](#) which would make several changes to the state tax structure. It would keep the three rate structure currently in place in Kansas for income tax, but the bottom rate would be set at 0%. The other two rates would see small reductions. The statewide exemption on the 20 mills for schools would be increased to \$80,000 (currently \$40,000). The proposal would also eliminate both the local ad valorem tax reduction fund (LAVTR) and the city county revenue sharing fund (CCRS). This bill was introduced on Monday and heard on Wednesday.

The House and Senate are currently not aligned in how to proceed with a tax package, but with time running out and conference committees likely approaching, common ground must be found.

[HB 2825](#), which would create a requirement for price disclosures for hospitals, and contains monetary penalties for noncompliance, was heard in the House Insurance committee on Monday and passed out of committee on Thursday. The big issue for counties is the monetary penalties, which would essentially require that the Attorney General use taxpayer dollars to fine a taxpayer funded hospital, which would then use taxpayer dollars to pay the fine to the Attorney General. While KAC supports transparency efforts, this framework seems impractical. KAC would encourage counties with county hospitals to contact your House delegation and let them know you oppose these monetary fines.

The Medicaid expansion hearings on Wednesday were packed, with over 900 pieces of testimony coming in, the overwhelming majority of which was testimony in support of expanding Medicaid. The House has a bill, [HB 2556](#), while the Senate simply held a joint informational hearing. While these hearings did occur, and enjoyed as much support as I have seen for any bill during my time following legislative matters, it is unlikely Medicaid Expansion moves forward for two reasons.

First, the House and Senate have both already voted on their budgets, both of which stripped out the funding for Medicaid Expansion. Second, leadership in both chambers, as well as the committee chair for both health committees oppose Medicaid Expansion.

[SB 381](#), which would allow a county that is not the largest in the judicial district to appoint its own coroner, passed through the House as written. With no amendments made, this bill is heading for the governor's desk.

[HB 2754](#), which would again allow counties to utilize home rule authority to exempt themselves from school safety inspections, passed out of the Senate Public Health and Welfare committee. It has not been amended and is now headed for the Senate floor. One challenge for this bill is that there could be hesitancy to run this bill on the floor since it deals with health and some may view it as a possible vehicle for a Medicaid Expansion amendment.

[Senate Sub for HB 2646](#) would transfer teachers out of KPERS 3 and back into KPERS 2. It was amended in committee, and now heads to the floor. There are other bills that would transfer all beneficiaries out of KPERS 3 and back into KPERS 2. What the Senate does with this bill could be telling in that discussion as well.

[HB 2690](#), which would eliminate the 911 Commission and replace it with the State 911 Board, while also allowing public service answering points (PSAPs) to contract with other PSAPs for answering services, passed out of the Senate committee this week. It was amended from the House version, so if this bill advances through the Senate, the House will need to concur on the amendments, otherwise this issue may be headed for conference.

Some other bills we have been watching this week:

- [HB 2815](#), which would do away with not only the local ad valorem tax reduction fund (LAVTR), but also the county-city revenue sharing (CCRS) and make adjustments to the way the special city-county highway fund (SCCHF) is unlikely to move forward, but similar language is located in [HB 2844](#) (the House tax plan).
- [SB 468](#), which would require that any county or city that grants any property tax exemptions, revenue bonds or other tax abatements remain at the revenue neutral rate. Counties need to engage their legislative delegations and encourage them to oppose this legislation, as well as engaging your business community to engage with your legislative delegation to explain how important these economic development tools are to your community.
- [SB 311](#) would impact how commercial property can be appraised. The original bill would prevent using the sale price or value from an IRS 1031 exchange to determine fair market value. The committee added in language that would prevent using “build-to-suit transactions or sale-leaseback agreements” to determine fair market value or as comparable sales for valuation purposes. This could allow use of “dark store theory” in determining the value of commercial property. Counties should be urging House members, particularly members of the tax committee to not put this into a conference committee report (CCR) where it could get bundled with other unrelated legislation.
- [SB 162](#), the nuisance abatement bill for Riley and Crawford counties, and [SB 362](#), which would eliminate the sunset provision of the Sedgwick county nuisance abatement bill, are both awaiting action on the House floor. The goal is to keep both bills in the form they passed in the Senate so they can go to the governor for signature.
- [SB 458](#), the Senate version of the asset forfeiture bill, This version goes further than either the House version, or the recommendations of the Judicial Council report. KAC is working with law enforcement lobbyists to move the House version of the asset forfeiture bill. This issue seems destined for conference committee.
- The new Senate tax plan, [SB 539](#), contains many of the same elements that were in the failed tax bill ([CCR for HB 2284](#)) from earlier this session. It contains a single tax rate at a higher level than the previously proposed 5.25%, with the rate starting at 5.7% and reducing by 0.05% each year until it reaches 5.45% in 2029. This bill will have to compete with the House proposal.
- The two divestment bills, [HB 2739](#), which would require state managed funds to divest from investments with identified foreign adversaries and [HB 2766](#), which would prohibit foreign principals from certain countries from holding an interest in certain real property in Kansas are still in play. KAC is monitoring both of these bills.
- [HB 2806](#), which would place limit the fees that counties can charge to telecommunications providers and video service providers operating in the county right-of-way, was amended before advancing out of committee. KAC is concerned that this bill would treat counties differently than it does cities. The bill advanced to the Senate but is unlikely to see action. This topic is, however, now conferenceable.

## **What's Coming Next Week**

Next week should see lots of floor action with very little (if any) committee work. We may see some meetings at the rail (impromptu committee meetings held at the rail of the third floor rotunda) where committees quickly go over business, but it is unlikely that we will see many formal committee meetings.

The big issues are as follows:

- Homelessness. Two different bills ([SB 542](#) and [HB 2723](#)) have been heavily amended. Of interest to counties is that local governments would have increased liability for homelessness (along with homeless shelters). All cities and counties would have to adopt ordinances or resolutions banning camping or sleeping without a permit (as well as requiring enforcement) as well as allowing any citizen to bring a writ of mandamus against the city or county and, if successful, be awarded both damages and attorneys fees.
- Commercial property taxes. Dark store theory is back. You can study up on [dark store theory](#) on the KAC website as a refresher. [SB 311](#) includes language that would prevent county appraisers from using sale leaseback provisions and build-to-suit agreements in valuing these types of properties. Counties should make sure legislators understand that this type of policy would likely result in a property tax shift from commercial properties to residential and other properties classes.
- Demand Transfers. There are a variety of bills ([HB 2508](#), [SB 196](#), [SB 332](#), and [SB 536](#)) that would fund LAVTR in a variety of ways, with a variety of restrictions. There are other bills ([HB 2815](#), [HB 2844](#)) that would eliminate LAVTR and CCRS. These transfers will be a part of the tax package debate in some form.
- Taxes. We have dueling tax packages with the Senate ([SB 539](#)) and House ([HB 2844](#)) having competing proposals. This is destined to go to conference committee, so watch the vote margins to see which chamber ends up with the larger majority, and the stronger negotiating position as a result.
- Elections. This may end up being a quiet year for elections, but keep an eye on [HB 2512](#), which would require county election officers to offer at least 4 hours of advance voting time on the Saturday prior to the election, as it could be used as a conference committee vehicle (a bill shell that could be used to pass different elections legislation) for a potential gut and go (a process where the original contents of the bill are removed, new provisions are inserted, and then that bill is passed. [HB 2661](#), which would change the way commissioners are elected when the number of county commissioners is increased is still awaiting action in the Senate.
- The new cybersecurity bill ([HB 2842](#)) will likely get some attention next week. What that means for counties is still evolving, so watch this space (and your KAC alerts).

If you have not already done so, [SUBSCRIBE](#) to KAC legislative alerts to stay up to date on what is going on.

## **Additional Resources**

For additional information on things happening in the Legislature, follow [@KansasCounties](#) and [@JayHallKS](#) on X (formerly Twitter).

You can find information on the Kansas Legislature, such as daily calendars, audio links, and bill text at [www.kslegislature.org](http://www.kslegislature.org).

You can watch or listen to committee proceedings at: [www.sg001-harmony.sliq.net/00287/Harmony/en/View/Calendar/](http://www.sg001-harmony.sliq.net/00287/Harmony/en/View/Calendar/) or by following the Kansas Legislature on YouTube.

2024 Legislative deadlines can be found at:

[https://kslegislature.org/li/documents/2024\\_session\\_deadlines.pdf](https://kslegislature.org/li/documents/2024_session_deadlines.pdf)