



2021 LEGISLATIVE HIGHLIGHTS

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ABORTION

“Value Them Both” Constitutional Amendment

HCR 5003 calls a special election on August 2, 2022, for voters to consider amending the *Kansas Constitution*. The proposed amendment, cited as the “Value Them Both Amendment,” would add a new section to the *Kansas Bill of Rights* stating the *Kansas Constitution* does not require government funding of abortion and does not create or secure a right to abortion, and authorizing the regulation of abortion through the Kansas Legislature.



AGRICULTURE & NATURAL RESOURCES

Pesticide Waste Disposal; Division of Conservation; Conservation Commission

SB 38 establishes the Kansas Pesticide Waste Disposal Program, which is administered by the Secretary of Agriculture for the collection and disposal of pesticide waste in the state, and creates in the State Treasury the Kansas Pesticide Waste Disposal Fund to be used for the Program. The bill also adds and amends law regarding the roles of the Division of Conservation and the State Conservation Commission.

Soil and Water Pollutant Releases

HB 2155 replaces and updates law regarding soil and water pollutant releases and cleanup; establishes definitions; and requires the Secretary of Health and Environment to promulgate rules and regulations to respond to and report pollutant releases, designate a 24-hour statewide telephone number for individuals

to provide notice of any release, provide minimum reportable quantities, order a person who is responsible for a release to clean up such release, and provide for cleanup of a release if the individual responsible cannot be identified within a reasonable period of time. The bill also requires the Secretary to remit certain moneys to an agency fund, establishes cleanup responsibilities, and authorizes costs and penalties that may be imposed.

Kansas Water Appropriation Act; Multi-year Flex Accounts

HB 2172 amends the Kansas Water Appropriation Act to expand the opportunity for the establishment of multi-year flex accounts (MYFAs) for groundwater water rights to water right holders who did not have water use between 2000 and 2009. The bill creates the definition of alternative base average usage that may be used in place of the base average usage when calculating the amount of water deposited in the MYFA. The bill allows the Chief Engineer of the Division of Water Resources of the Department of Agriculture to calculate the base average usage with less than 10 calendar years of data if water usage records are inadequate.

Commercial Industrial Hemp Act; Industrial Hemp Processors

HB 2244 amends the Commercial Industrial Hemp Act to transfer registration and regulation of industrial hemp processors from the Department of Agriculture to the State Fire Marshal. The bill also amends law regarding the disposal of industrial hemp; the definition of “hemp products”; the marketing, selling, or distributing of hemp products unlawfully without registration or

licensure; and an exception for the transportation of industrial hemp between producers and processors.



ALCOHOL

Omnibus Alcohol Bill

HB 2137 amends provisions of the Kansas Liquor Control Act, the Cereal Malt Beverage Act, and the Club and

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Drinking Establishment Act concerning the sale and transfer of, as well as licensure requirements related to, alcoholic liquor and cereal malt beverage (CMB). The bill expands the days and times of the sale of liquor and CMB; expands the sale of beer and CMB in refillable and sealable containers; and clarifies provisions concerning the sale of mixed alcoholic beverage pitchers.

The bill also removes residency requirements for certain liquor licenses; creates a new fulfillment house license; and amends law concerning electronic submission of records by special order shipping license holders; sale and delivery of CMB by liquor retail licensees and by the drink; removal of unconsumed CMB from a club or drinking establishment; temporary permits to sell CMB and alcoholic liquor; common consumption areas; special events at class A and class B clubs; and transfer of alcohol for canning and bottling.

Furthermore, the bill amends law concerning the suspension, cancellation, or revocation of certain liquor licenses by the Director of Alcoholic Beverage Control; liquor licensure of spouses of law enforcement officers; farm winery licenses; licenses held by alcoholic liquor manufacturers; and producer's licenses.



CHILDREN'S ISSUES

Omnibus Child Welfare Bill

HB 2158 amends law regarding child welfare topics and trauma oversight. Among its provisions are the following.

Joint Committee on Child Welfare System Oversight. The bill establishes the Joint Committee on Child Welfare System Oversight, composed of seven members of the House of Representatives and six members of the Senate, and requires the Joint Committee to review various topics regarding the child welfare system. The bill requires the Joint Committee to meet at least once each quarter and provide an annual written report to legislative leadership and specified committees.

Adrian's Law. The bill enacts "Adrian's Law," which adds a requirement for visual observation of a child by the Department for Children and Families and law enforcement during joint abuse and neglect investigations.

Child Care Assistance. The bill adds an exception to the non-TANF 20-hour-per-week work participation requirement for adult caretakers of children in out-of-home placement needing child care assistance.

Foster Home Licensing. The bill amends family foster home license eligibility by allowing the Secretary for Children and Families to license a family foster home under certain otherwise disqualifying circumstances when a person, formerly adjudicated as a juvenile, maintains residence at the home or has been legally adopted by a person in the home.



COMMERCE & LABOR

Tax Credits; Angel Investors; Home Renovation Tax Credit

SB 66 amends law regarding two tax credits.

Angel Investors Tax Credit. The bill revises the Kansas Angel Investor Tax Credit Act by extending its sunset from tax year 2021 to tax year 2026. Among other things, the bill increases annual tax credit limits, increases the maximum single-year tax credit amounts for businesses and qualified investors, and removes or modifies a number of restrictions on investments and investors.

Home Renovation Tax Credit for Disabled Family Members. Among other things, the bill increases from \$9,000 to \$15,000 the maximum tax credit for renovations to make the home of the taxpayer or their family member accessible to persons with a disability; increases from \$2,250 to \$3,750 the taxpayer's liability threshold for eligibility for a refundable credit; and annually increases these amounts with a federally determined cost-of-living adjustment multiplier in 2022 and subsequent tax years.

Unemployment Compensation Modernization and Reform

Senate Sub. for Sub. for HB 2196 creates law and amends the Employment Security Law. Among other things, the bill includes the provisions below.

Kansas Department of Labor IT Modernization. The bill requires the modernization of the Unemployment Insurance (UI) system, which must include certain components, features, and program integrity elements, as specified and defined by the Unemployment Compensation Modernization and Improvement Council in consultation with the Secretary of Labor.

Unemployment Compensation Modernization and Improvement Council. The Council created by the bill is tasked with overseeing changes to the UI system and claims process and conducting an audit of the UI system about the effects, nature, causes, and extent of fraudulent claims and improper payments from March 15, 2020, through March 31, 2022.

Reemployment and Work Skills Training Services Provisions. The bill requires the Secretary of Labor and the Secretary of Commerce to jointly establish and implement programs providing reemployment and work skills training services to UI benefit recipients by June 1, 2021.

Benefits Disqualification and Criminal Offense for Fraud or Misrepresentation. The bill shortens the time an individual is disqualified from receiving benefits for fraudulent or misleading statements from five years to one year upon the repayment of all amounts owed for the first offense and five years upon the repayment of all amounts owed for each subsequent offense. The bill also establishes as a severity level 5 nonperson felony the making of fraudulent or misleading statements to obtain UI benefits under certain conditions.

Employer Account Protections. The bill requires employers to be indemnified for fraudulent or improperly paid claims and requires that immediate restitution be made to employers for any such claims.

Federal Coronavirus Relief Aid Transfers. The bill provides for the transfer of \$500.0 million of federal coronavirus relief moneys to employment security funds in FY 2021 and 2022 to replace the amount of fraudulent and improper payments made between April 1, 2020, and December 31, 2022.

If fraudulent and improper payments made between April 1, 2020, and December 31, 2022, exceed the amount transferred, additional federal coronavirus relief moneys up to the amount of the excess will be transferred.

Shared Work Program Modifications. The bill requires the Secretary of Labor to create and manage a promotional campaign for the Shared Work Unemployment Compensation Program and to expand the number of employees that will be eligible to participate the Program.

The Secretary must also permit negative account balance employers to be approved for the Program if their most recent calculated reserve ratio has improved from the previous reporting year.

CONCEALED CARRY & FIREARMS

Concealed Carry Licenses; Kansas Protection of Firearms Act

HB 2058 amends law related to concealed carry licenses and the possession of firearms.

License Reciprocity. The bill specifies a valid license or permit to carry a concealed firearm issued by another jurisdiction is recognized in Kansas while such permit or license holder is not a Kansas resident.

Issuance of Alternative License. The bill requires the Attorney General to issue documents to concealed carry licensees as an alternative to the physical card issued pursuant to continuing law, if the Attorney General determines it is impractical for the Division of Vehicles, Department of Revenue, to issue such physical cards, and if the Attorney General determines such impractical conditions have lasted for at least 30 days.

Concealed Carry License Classes. The bill creates two classes of concealed carry licenses for persons who meet the statutory requirements: a provisional license that can be issued to persons between the ages of 18 and 20, and a standard license for persons over age 21.

Kansas Protection of Firearms Rights Act. The bill amends law concerning the crime of criminal possession of a weapon by a convicted felon to, among other things, establish time periods in which persons convicted of certain felonies are prohibited from possessing a weapon. The bill sets prohibition time periods of lifetime, eight years, three years, and three months, depending on the findings of the court and relevant crime.

COVID-19

Kansas Emergency Management Act; State of Disaster Emergency and Related Provisions

In January 2021, the Legislature passed **SB 14**, which extended until March 31, 2021, the state of disaster emergency related to the COVID-19 pandemic in Kansas and various related provisions. The bill also prohibited the Governor, during any state of disaster emergency related to COVID-19, from issuing any order that substantially burdens or inhibits the gathering or movement of individuals or operation of any religious, civic, business, or commercial activity.

In March 2021, the Legislature passed three additional bills further extending provisions previously extended by SB 14 and amending and creating new law related to the COVID-19 pandemic and the Kansas Emergency Management Act (KEMA), as follows.

SB 40 creates and amends law regarding KEMA, state of disaster emergencies, the Legislative Coordinating Council (LCC), and the COVID-19 health emergency. Among its provisions are the following.

Actions by Local Educational Entities. The bill provides local school boards, community colleges, and technical colleges

have exclusive authority to take actions, issue orders, or adopt policies affecting the operation of schools during a state of disaster emergency related to COVID-19; other state or local officials may provide guidance but take no binding action.

Role of LCC. The bill transfers the authority to extend state of disaster emergencies past 15 days from the State Finance Council to the LCC, continues the COVID-19 state of disaster emergency through May 28, 2021, and prohibits the Governor from declaring any new state of disaster emergency related in whole or in part to the COVID-19 health emergency in 2020 or 2021.

Executive Orders. Effective March 31, 2021, the bill revoked all executive orders (EOs) issued previously by the Governor related to the COVID-19 emergency. The bill provides that any new EOs are subject to review and revocation by the Legislature or LCC, as provided by a process outlined in the bill. The bill also permits a civil action to be filed in district court when a party believes an EO substantially burdens or inhibits the gathering or movement of individuals or the operation of any religious, civic, business, or commercial activity, and makes permanent the prohibition on the Governor to issue such an order.

Revocation of Secretary of Health and Environment Orders. The bill allows the Legislature or LCC to revoke any order related to a disaster emergency issued by the Secretary of Health and Environment.

Authority of Local Boards and Officers. The bill requires any local health officer's proposed order that would mandate mask-wearing, limit gathering, curtail business, or control movement in the county be first reviewed and approved by the local board of county commissioners. Any aggrieved party may file a civil action in district court in the county where the contested order was issued.

SB 283 extends until March 31, 2022, provisions granting immunity related to COVID-19 claims for businesses and health care providers, telemedicine, and temporary licensure, and further adjusts

the provisions related to telemedicine and temporary licensure.

Telemedicine. The bill allows an out-of-state physician to practice telemedicine to treat Kansas patients if the physician holds a temporary emergency license granted by the Board of Healing Arts.

Temporary Licensure. The bill allows the Board to grant temporary emergency licenses to nonresident health care providers upon submission of a form to the Kansas Health Care Stabilization Fund without paying an annual premium surcharge.

HB 2126 amends the COVID-19 Response and Reopening for Business Liability Act by replacing an affirmative defense available in civil actions to adult care facilities for COVID-19 claims with immunity from liability for COVID-19 claims in civil actions for an expanded group of covered facilities, as long as the facilities were in substantial compliance with applicable public health directives, as defined by the bill.

The immunity will not apply in cases of gross negligence or willful, wanton, or reckless conduct. The immunity will apply retroactively to any cause of action accruing on or after March 12, 2020, and prior to termination of the COVID-19 state of disaster emergency.



ECONOMIC DEVELOPMENT

STAR Bonds Program

House Sub. for SB 124, among other provisions, makes changes to the Sales Tax and Revenue (STAR) Bonds Program and reauthorizes the Program until July 1, 2026. The bill expands Program eligibility to major business facilities and rural redevelopment projects. It also increases the minimum investment and gross annual sales needed for a project to be eligible and creates a separate requirement for rural redevelopment projects.



EDUCATION

In-Person Instruction

House Sub. for SB 63 required all unified school districts to provide a full-time, in-person attendance option for all students enrolled in kindergarten through grade 12, beginning no later than March 31, 2021, for the 2020-2021 school year.

Omnibus Education Bill

HB 2134 makes appropriations for the Department of Education for Fiscal Years 2021, 2022, and 2023. [Note: This funding is included in the budget description on page 8.] The bill also contains restrictions on remote learning, along with adjustments to school district state funding based upon remote enrollment.

The bill also includes permission for school districts to expend funds to cover the cost of concurrent and dual enrollment classes; expansion of the student eligibility for and expenditures of at-risk services and programs; expansion of state funded examinations for the ACT, pre-ACT, and ACT WorkKeys; expansion of eligibility for the Tax Credit for Low Income Students Scholarship Program; and the establishment of a foster care report card.



ELECTIONS & ETHICS

Advance Voting Ballots and Election Crimes

Senate Sub. for HB 2183 prohibits:

- Any individual from delivering another individual's advance voting ballot without written permission from the voter;
- County election officials from accepting money from nongovernmental organizations for the purpose of conducting elections; and
- The Secretary of State from extending the deadline for receiving advance voting ballots.

The bill also establishes or changes a variety of election crimes regarding the alteration of advance voting ballot postmarks, false representation of an election official, the delivery of more than ten advance voting ballots by one individual, and electioneering.

Advance Voting; Election Tampering; Temporary Vacancy Appointments

HB 2332 creates and amends law related to elections as follows.

The bill requires county election officers to maintain both a residential address and a mailing address for each registered voter, if such addresses differ, and requires such residential address to correspond to a physical location where such voter resides.

The bill provides, beginning January 1, 2022, certain requirements for individuals who solicit registered voters by mail to file an application for an advance voting ballot, and include in such mailing an application for an advance voting ballot; such mailing must include a disclosure that it is not a government mailing but is from a private individual or organization.

The bill prohibits any individual who is not a resident of Kansas or domiciled in Kansas from mailing an application for an advance voting ballot.

The bill prohibits the Governor, the Executive Branch, and the Judicial Branch from altering election laws, and requires the Secretary of State to obtain approval from the Legislative Coordinating Council prior to entering into consent decrees with any court.

The bill expands the crime of election tampering to include three new actions, and clarifies that election tampering by means of making or changing an election record does not include individuals lawfully carrying out an election duty.

The bill creates a process for temporary appointments to fill vacancies created by officers or employers of the State or political subdivisions of the State due to military service.

Insurance Producer Licensure; Agent Appointment

SB 37 amends Uniform Agents Licensing Act provisions governing agent licensing and licensure renewal to require a biennial renewal application fee; amend the number of required continuing education credits (CECs), provide CEC exemptions for certain lines of insurance, and provide CEC exemptions and extensions for licensed agents in active duty armed services; require certification by pre-need agents that no other business was transacted; and create reporting requirements for all licensed agents.

The bill also changes the required appointment of agents, resulting in a loss of fee revenue to the Kansas Insurance Department. The bill amends the Public Adjusters Licensing Act to require fingerprinting and criminal history record checks of applicants and to address licensure renewal and CEC requirements.

Amendments to the Insurance Code and Related Acts; Model Regulation Codified

House Sub. for SB 78 amends several provisions in the Insurance Code and codifies the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Regulation into statute.

The bill amends the Insurance Code relating to credit for reinsurance, service contracts, surplus lines insurance, the Standard Nonforfeiture Law for Individual Deferred Annuities, the Utilization Review Organization Act and oversight of utilization review organizations, and risk retention groups.

The bill also amends the Insurance Company Holding Act, the Professional Employer Organization Registration Act, the effective date for the risk-based capital instructions promulgated by the NAIC, and certain required professional liability insurance coverage and oversight requirements in the Health Care Provider Insurance Availability Act.

The bill also repeals the Automobile Club Services Act and a statute relating to the power of the Commissioner of Insurance to examine and investigate persons engaged in the business of insurance to determine whether any unfair method of competition or unfair or deceptive act has occurred.

Linked and Loan Deposit Programs for Economic Recovery, Weather Event

The 2021 Legislature passed three bills creating linked or loan deposit programs within the Office of the State Treasurer.

SB 15 (as amended by SB 86) creates the Kansas Economic Recovery Loan Deposit Program, which provides incentives for the making of business loans. The total aggregate amount of loans issued under this linked deposit program cannot exceed \$60.0 million of unencumbered funds.

SB 86 creates the Kansas Extraordinary Utility Costs Loan Deposit Program, which provides incentives for the making of loans to eligible borrowers for the extraordinary natural gas costs incurred during the weather event of February 2021.

The total aggregate amount of loans issued under the program cannot exceed the amount of unencumbered funds certified by the State Treasurer and directed to be reinvested by provisions of this bill, which relies upon funds released from the loan program authorized by House Sub. for SB 88.

House Sub. for SB 88 (as amended by SB 86) creates the City Utility Low-Interest Loan Program, which provides loans to cities for extraordinary electric or natural gas costs incurred during the weather event. The total aggregate amount of loans issued under the program cannot exceed \$100.0 million of unencumbered funds.

The bills include administrative requirements for each program, including agency rules and regulations, application and loan criteria, and reports to the Legislature, and also amend law governing the investment of state moneys to add the programs' loans and applicable interest rates.

Utility Financing and Securitization Act

Senate Sub. for HB 2072 creates the Utility Financing and Securitization Act (UFSA), which allows for the securitization of utility assets to recover energy transition costs for electric public utilities whose retail rates are subject to the jurisdiction of the Kansas Corporation Commission (KCC). The UFSA also allows electric and natural gas public utilities whose retail rates are subject to the KCC to pursue securitization to help finance qualified extraordinary expenses, such as fuel costs incurred during extreme weather events.

The UFSA requires the customer bills of a public utility that has obtained a financing order and caused securitized utility tariff bonds to be issued to explicitly reflect that a portion of the charges represents securitized utility tariff charges approved in a financing order issued to the utility.

Regulation of Technology-Enabled Fiduciary Financial Institutions

Senate Sub. for HB 2074 enacts the Technology-Enabled Fiduciary Financial Institutions Act, to be part of and supplemental to the Kansas Banking Code.

On July 1, 2021, the bill requires the State Bank Commissioner issue a conditional charter to The Beneficient Company and establish a Fidfin Fiduciary Institution Pilot Program with an economic growth zone designated in Harvey County.

The bill establishes an income and privilege tax credit beginning in tax year 2021 for fiduciary financial institutions in an amount equal to such institution's qualified charitable distributions during such taxable year if the institution maintains its principal office in an economic growth zone.

Under the bill, a "technology-enabled fiduciary financial institution" [referred to generally as a TEFFI] means any limited liability company, limited partnership, or corporation that:

- Is organized to perform any one or more of the activities and services authorized by the Act;

- Has been authorized to conduct business as a fiduciary financial institution;
- Has made, committed to make, or caused to be made a qualified investment; and
- Has committed, in or as part of the application, to conduct any fidfin transactions and the required distributions.



Audiology and Speech-Language Pathology Interstate Compact

SB 77 enacts the Audiology and Speech-Language Pathology Interstate Compact. The Compact allows member states to issue licenses to an audiologist or speech-language pathologist, and these licenses are recognized by each member state as authorizing the practice of audiology or speech-language pathology in each member state. The Compact requires member states to recognize the right of an audiologist or speech-language pathologist licensed in a member state to practice in another member state *via* telehealth and allows for active duty military personnel and their spouses to utilize provisions of the Compact to maintain licensure.

PSYPACT and PT Compact

SB 170 enacts the Psychology Interjurisdictional Compact (PSYPACT) and the Physical Therapy Licensure Compact (PT Compact).

PSYPACT. The PSYPACT requires member states to recognize the right of a psychologist licensed in a compact state, in conformance with compact requirements, to provide psychology services *via* telepsychology and to practice temporarily in other compact states, or distant states, in which the psychologist is not licensed.

PT Compact. The PT Compact facilitates the interstate practice of physical therapy between member states, allowing for increased licensure portability. The Board of Healing Arts is authorized to take disciplinary action regarding the compact privilege and require individuals in Kansas

practicing under the PT Compact to maintain certain professional requirements.

State Board of Pharmacy; Emergency Medical Services

Sub. for SB 238 amends law concerning the State Board of Pharmacy and emergency medical services (EMS).

Telepharmacy and the Board. The bill defines “telepharmacy” and requires a telepharmacy outlet to be connected *via* a telecommunications link with a supervising pharmacy in Kansas and have an on-site pharmacy technician. The bill also authorizes the Board to limit, condition, or place in a probationary status the license of any pharmacist upon certain findings and requires the Board to only accept a passing score on an examination required for licensure from an applicant’s first five examination attempts.

The bill also allows a pharmacist to use professional judgment to make adaptations to a prescription order, except for a controlled substance, under certain conditions listed in the bill.

EMS oversight. The bill amends law to allow medical directors to review, approve, and implement medical protocols and to monitor the activities, competency, and education of EMS providers.

Rural Hospitals; Behavioral Health; Telemedicine; Licensure Requirements

Senate Sub. for HB 2208 enacts the Rural Emergency Hospital Act, creating the rural emergency hospital licensure category to enable certain Kansas hospitals to receive federal health care reimbursement. The bill establishes certification for certified community behavioral health clinics.

The bill authorizes licensed out-of-state physicians with telemedicine waivers issued by the Board of Healing Arts to practice telemedicine in Kansas.

The bill also amends the disciplinary authority of the Behavioral Sciences Regulatory Board and modifies licensure and temporary permit requirements of most licensees issued by such board.

Rural hospitals. The bill establishes the Rural Hospital Innovation Grant Program and the Rural Hospital Innovation Grant Fund for hospitals in eligible counties. The bill requires a rural hospital to exhaust all opportunities for federal moneys available to such hospital for transitional assistance before a Rural Hospital Innovation Grant may be awarded.

The bill requires benefits coverage for services provided by rural emergency hospitals if covered when performed by a general hospital or critical access hospital.

Court-ordered Infectious Disease Testing

HB 2224 requires, in crimes involving the possible transmission of bodily fluids, that a court order a person who is arrested and charged to submit to infectious disease tests if the victim of the crime or the county or district attorney requests such order or if the arrested person states he or she has or has been infected with an infectious disease, or uses words to like effect, to the arresting law enforcement officer.

Infectious disease is redefined as any disease designated by the Department of Health and Environment (KDHE) through rules and regulations as infectious or contagious. Convicted persons are required to pay restitution to KDHE for the cost of associated testing and counseling.

Irrevocable Prearranged Funeral Agreements

HB 2254, among other things, increases the monetary cap on irrevocable prearranged funeral agreements, contracts, or plans, on and after July 1, 2021, to \$10,000.

The bill also provides for an increase in the monetary cap in an amount equal to the average percentage increase in the Consumer Price Index for all urban consumers in the Midwest region on July 1, 2022, and each July 1 thereafter.

Current law allows such funeral agreements, contracts, or plans to be irrevocable as to the retail price of a casket, urn, and outside burial container, and as to the first \$7,000 of funds paid and set aside at the direction of the purchaser.

Crimes and Criminal Procedure

SB 60 amends the definition of “proximate result” as it relates to jurisdiction in the Kansas Criminal Code; prohibits psychological or psychiatric examinations of victims in criminal prosecutions; removes the spousal exception in the crime of sexual battery; creates the crime of sexual extortion; and amends the crime of fleeing or attempting to elude a police officer.

The bill makes fleeing or attempting to elude a police officer while operating a stolen motor a severity level 9 person felony without prior convictions for the offense, and requires the court to impose a fine of at least \$500. The bill states the crime is a severity level 7 person felony if a driver knowingly drives in a manner specified by the bill, and states fleeing or attempting to elude a police officer is *prima facie* evidence of motor vehicle theft.

Training Regarding Missing and Murdered Indigenous Persons

HB 2008 authorizes the Attorney General to coordinate, in consultation with Native American Indian tribes and appropriate state agencies, law enforcement training regarding missing and murdered indigenous persons.

Stalking a Minor

HB 2071 amends the definition of the crime of stalking to include: intentionally engaging in a course of conduct targeting a specific child under the age of 14 that would cause a reasonable person in the circumstances of the targeted child, or an immediate family member of such child, to fear for the child’s safety. Such conduct is a severity level 7 person felony for a first conviction and a severity level 4 person felony for subsequent convictions.

Statutory Speedy Trial; Court Deadline Suspension; Prioritization of Cases

HB 2078 suspends speedy trial provisions in the Kansas Criminal Code until May 1, 2023, in all criminal cases and removes

a provision authorizing extension or suspension of deadlines or time limitations by the Chief Justice and requiring trials to be scheduled within 150 days of termination of such order. The bill requires trial courts to consider a non-exhaustive list of relevant factors when prioritizing cases for trial and requires the Office of Judicial Administration to submit a report to the Senate and House committees on judiciary in 2022 and 2023 containing the number of criminal cases pending, resolved, or newly filed and the number of jury trials conducted in criminal cases.

Kansas Fights Addiction Act; Transfer of Duties to Attorney General; Human Trafficking Notices

HB 2079 creates the Kansas Fights Addiction Act, transfers certain duties from the Secretary of State to the Attorney General, and amends law related to notices offering help to victims of human trafficking.

Kansas Fights Addiction Act. The Act creates two new state funds, the Kansas Fights Addiction Fund (KFA Fund) and the Municipalities Fight Addiction Fund (MFA Fund), for the abatement of substance abuse or addiction and directs moneys received by the State from opioid litigation to the funds. The Act creates a Kansas Fights Addiction Grant Review Board to consider and approve applications for grants from the KFA Fund. The bill also directs some of the moneys from the KFA Fund to a Prescription Monitoring Program Fund created by the bill.

Moneys in the MFA Fund will be expended pursuant to an agreement between the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities. On and after January 1, 2021, the bill prohibits municipalities from filing or becoming a party to opioid litigation in any court without the prior approval of the Attorney General.

Transfer of Duties. The bill transfers duties under the two following sections of statute from the Secretary of State to the Attorney General: the Charitable Organizations and Solicitations Act and the Safe at Home Program.

Human Trafficking Notices. The bill amends law related to notices offering help to victims of human trafficking to require such notices be posted in various places visible to employees or to members of the public, and replaces specific content requirements with a requirement that the Attorney General adopt rules and regulations prescribing the content, size, and other characteristics of such notices.

State of Disaster Emergency; Orders by Chief Justice

HB 2227 amends law governing orders issued by the Chief Justice to secure the health and safety of court users, staff, and judicial officers by allowing the Chief Justice to issue an order to extend or suspend statutory deadlines during a state of local disaster emergency, an order suspending certain appeals verification requirements, or an order to authorize the use of two-way electronic and audio-visual communication in any court proceeding when necessary to expeditiously resolve pending cases.

The bill allows an extension or suspension order to remain in effect up to 150 days after termination of a state of disaster or state of local disaster emergency, and clarifies the time an individual has to comply with a deadline or time limitation that was extended or suspended.

 LOCAL GOVERNMENT

Voluntary Consolidation of Special Districts into City or County

SB 118 establishes a procedure for a city or county to assume the powers, responsibilities, and duties of a special district (such as a cemetery district or fire district) upon consent of the special district and the holding of a joint public hearing.

 SOCIAL SERVICES

Omnibus Senior and Dependent Adult Bill

HB 2114 creates and amends law regarding Kansas’ senior and dependent adult population.

Kansas Senior Care Task Force. The bill establishes a 22-member Kansas Senior Care Task Force composed of legislators, executive branch personnel, and stakeholders, and requires the Task Force to study various topics regarding care and services for Kansas seniors. The bill includes provisions regarding appointment of members, meetings, support services, and compensation.

The Task Force must submit a preliminary progress report to the Legislature on or before the beginning of the 2022 Legislative Session and a final report to the Legislature on or before the beginning of the 2023 Legislative Session, and the Task Force sunsets on June 30, 2023.

Elder and Dependent Abuse Multidisciplinary Teams. The bill requires the Attorney General to appoint a Kansas elder and dependent abuse multidisciplinary team coordinator and staff to support the coordinator. The coordinator must facilitate the convening of an elder and dependent abuse multidisciplinary team in each judicial district. The bill specifies the required and optional members of such teams, requires the teams to coordinate investigations of elder and dependent adult abuse, and sets forth other requirements and allowed activities for the teams.

Abuse, Neglect, or Financial Exploitation of Adults. The bill amends law related to the abuse, neglect, or financial exploitation of adults (adult abuse). Among other things, the bill amends and reorganizes relevant definitions, updates and adds to the list of mandatory reporters of adult abuse, and adjusts the duties of the Department for Children and Families upon receiving a report of adult abuse.

STATE FINANCES

State Budget

HB 2007 (Mega Bill), **SB 159** (Omnibus Bill), and **HB 2134** (Education Budget Bill) include adjusted funding for FY 2021 and funding for FY 2022 for all state agencies and for FY 2023 for select state

agencies. **SB 159** also includes various claims against the State.

The FY 2021 revised budget totals \$21.0 billion, including \$7.5 billion from the State General Fund (SGF). The approved budget is an all funds increase of \$1.6 billion, or 8.3 percent, and an SGF decrease of \$56.1 million, or 0.7 percent, from the FY 2020 actual expenditures. The approved budget includes full-time equivalent (FTE) positions totaling 40,837.3.

Major Adjustments to the FY 2021 Budget:

Human Services. Adds \$118.1 million, and deletes \$74.0 million SGF, for the human services function.

Adds \$75.2 million, including \$26.3 million SGF, to provide a \$15 increase for the daily reimbursement rate for nursing facilities for 298 days in FY 2021.

Public Safety. Adds \$64.8 million, including \$25.7 million SGF, mainly in the Department of Corrections, for the medical services contract and expansion projects at the Lansing and Winfield facilities.

General Government. Adds \$710.0 million, including \$36.9 million SGF, for the general government function. The increase is related to federal coronavirus relief funds in the Office of the Governor and the Department of Commerce.

Education. Adds \$231.4 million, all funds, and deletes \$44.8 million SGF and:

K-12 Education. Adds \$127.7 million and deletes \$30.4 million SGF. The increase is due to federal COVID-19 relief funding, and the SGF reduction is due to a decrease in weighted FTE student enrollment; and

Higher Education. Adds \$103.5 million and deletes \$15.2 million SGF.

Agriculture. Adds \$18.3 million, all from special revenue funds. The increase is largely attributable to federal coronavirus relief funding in the Department of Health and Environment.

Transportation. Adds \$469.5 million, all from special revenue funds, the majority

of which is for delayed highway projects from FY 2020 to FY 2021.

Included in the FY 2022 Budget:

The FY 2022 budget totals \$20.5 billion, including \$8.1 billion SGF. The budget is an all funds decrease of \$522.2 million, or 2.5 percent, and an SGF increase of \$676.9 million, or 9.1 percent, from the FY 2021 approved budget. The approved budget includes FTE positions totaling 40,917.6.

Human Services. Deletes \$219.6 million and adds \$369.7 million SGF for the human services function.

Caseloads. Adds \$212.3 million, including \$238.7 million SGF, for revised population and cost estimates.

Kansas Department of Labor. Deletes over \$291.8 million in special revenue funds from decreased unemployment insurance trust fund benefit payments, partially offset by \$9.6 million added for unemployment system modernization; and

Public Safety. Deletes \$118.8 million, including \$21.6 million SGF. The reduction is attributable to reduced federal coronavirus relief funding in the Adjutant General's Department and reduced expenditures from the Evidence Based Juvenile Programs Fund in the Department of Corrections.

General Government. Deletes \$570.2 million and adds \$13.8 million SGF. The majority of the reduction is in the Department of Commerce and the Office of the Governor from reduced federal coronavirus relief funding. Other major adjustments include:

Judicial Branch. Adds \$17.0 million, all SGF, for salary adjustments and the addition of 70 court services officers;

Department of Administration. Adds language authorizing the agency to issue up to \$120.0 million in bonds for the renovation of the Docking State Office Building, subject to approval from the State Finance Council.

Education. Adds \$91.1 million, including \$317.7 million SGF.

K-12 Education. Adds \$139.8 million, including \$245.2 million SGF, which is attributable to increasing the BASE aid from \$4,569 to \$4,706 per student.

Higher Education. Deletes \$47.7 million and adds \$72.5 million SGF.

Agriculture. Deletes \$27.7 million, including \$2.8 million SGF. The majority of the all funds reduction is in KDHE Division of Environment for reduced coronavirus relief funding.

Adds language requiring the Department of Agriculture to issue a request for proposal to construct or renovate and equip a laboratory within 8 miles of the Capitol Complex in Topeka for FY 2022 and language authorizing the issuance of up to \$65.0 million in bonds for the project.

KPERS Death and Disability Payments Moratorium

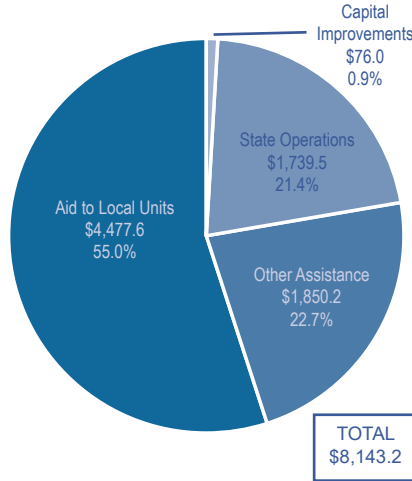
HB 2243 authorizes the Governor's allotment for the KPERS Death and Disability Program and institutes a moratorium on all payments made by KPERS employers for FY 2021. Among other things, the bill changes the frequency of the actuarial experience and cost study performed by the KPERS Board of Trustees from once every three years to once every four years.

Bonding Authorization for Unfunded Actuarial Liability

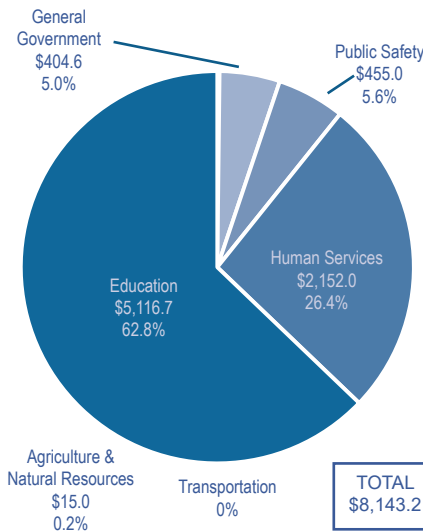
HB 2405 authorizes the issuance of \$500.0 million in bonds for the unfunded actuarial pension liability. The bill requires debt service on the bonds to be payable from appropriations. The bonds' interest rate, all inclusive cost, must not exceed 4.3 percent. The bill provides bonds issued and interest owed are an obligation of the Kansas Development Finance Authority, not KPERS.

The employer contribution rate for the State-School Group is estimated to decrease from 14.69 percent to 13.36 percent in FY 2024.

**FY 2022 Approved
State General Fund Budget
by Major Purpose
(Dollars in Millions)**



**FY 2022 Approved
State General Fund Budget
by Function of Government
(Dollars in Millions)**



STATE GOVERNMENT

Agency Reorganizations

Executive Reorganization Order (ERO)

No. 48 transfers the Division of Tourism from the Kansas Department of Wildlife, Parks and Tourism to the Department of Commerce, effective July 1, 2021.

HR 6009 disapproves ERO No. 47, which would have created the Kansas Department of Human Services by merging the powers,

functions, and duties of the Kansas Department for Aging and Disability Services with those of the Department for Children and Families.

Creation of and Changes to Boards, Committees, Commissions, Councils, and Task Forces

The Legislature created new entities to study and oversee certain issues and programs in the state. Furthermore, amendments to previous law adjusted the authority, organization, and scope of oversight of certain existing entities.

New entities are as follows.

Senate Sub. for HB 2074 creates the Joint Committee on Fiduciary Financial Institutions Oversight. *See Senate Sub. for HB 2074, page 5.*

HB 2079 creates the Kansas Fights Addiction Grant Review Board. *See HB 2079, page 7.*

HB 2114 creates the Kansas Senior Care Task Force. *See HB 2114, page 7.*

HB 2158 creates the Joint Committee on Child Welfare System Oversight. *See HB 2158, page 2.*

Senate Sub. for Sub. for HB 2196 creates the Unemployment Compensation Modernization and Improvement Council. *See Senate Sub. for Sub. for 2196, page 2.*

Updated entities include the following.

HB 2077 amends law related to the Kansas Criminal Justice Reform Commission, Kansas Closed Case Task Force, and the Kansas Crime Victims Compensation Board.

Kansas Criminal Justice Reform Commission. The bill amends and adds statutorily required study topics, adds a public defender member, and extends the final report deadline to December 1, 2021.

Kansas Closed Case Task Force. The bill renames the Task Force as the Alvin Sykes Cold Case DNA Task Force, extends certain

deadlines, and amends the membership to replace the CODIS administrator with another designee.

Kansas Crime Victims Compensation Board. The bill amends the definition of “victim,” provides for an extension of deadlines to file claims for certain circumstances, and allows the Board to award compensation for mental health counseling, among other things.

HB 2218 amends law regarding the role and membership of the State Employees Health Care Commission. The bill directs the Commission to develop and provide for the implementation and administration of the State Employee Health Plan and balance meeting the health care needs of state employees with the financial impact on the State. The bill also expands the membership of the Commission from five to seven members.

SB 40, among other things, increases the membership of the Legislative Coordinating Council from seven to eight members by adding the Vice President of the Senate as a member. *See SB 40, page 3.*

TAXATION

Property Tax Notice and Hearing Requirements

SB 13 repeals the property tax lid applicable to cities and counties and creates new notice and public hearing requirements for local governments. Local governments desiring to collect property taxes in excess of the amount collected the prior year are required to publish notice of the intent, mail notifications to impacted taxpayers (beginning in 2022), and hold a hearing providing taxpayers the opportunity to comment on the proposed tax rate. The governing body of the local government is required to approve the tax rate by a majority vote at the end of the hearing.

The bill also prohibits property valuation increases based solely on normal maintenance and allows county treasurers to accept partial payments and establish payment plans for all property taxes.

Net Income Deduction, Privilege Tax; Field of Membership

SB 15, among other things, allows a deduction from net income, beginning in tax year 2023, for financial institutions subject to the Kansas Financial Institutions Privilege Tax, equal to the net interest income received from qualified agricultural real estate and certain rural single family residence loans attributable to Kansas, to the extent such interest is included in Kansas taxable income.

The bill also amends field-of-membership requirements placed on state-chartered credit unions to increase the permissible geographic area for a credit union’s field of membership.

Income Tax

SB 47, among other things, creates new income tax credits, extends and expands the Rural Opportunity Zones (ROZ) Program, and modifies certain income tax administration law.

Tax Credits. The bill creates new income tax credits for contributions to the Eisenhower Foundation and the Friends of Cedar Crest Association. Credits are worth 50 percent of the amount contributed and are available to all income and privilege taxpayers. The amount of credits for each is annually capped at \$350,000 and the credits sunset after five years.

ROZ Changes. The bill extends the sunset on the ROZ income tax credit and student loan repayment programs two years, through 2023. The bill also expands the number of eligible counties for ROZ participation from 77 to 95.

Income Tax Administration. The bill couples the Kansas individual income tax return date to the federal date and, for 2021 and 2022, allows employers to collect and remit withholding tax as if remote workers were working at their normal location.

Marketplace Facilitators; Income Tax

SB 50 requires marketplace facilitators to collect and remit sales tax and amends individual income tax.

Beginning July 1, 2021, the bill will generally require entities that contract with sellers to facilitate the sale of products or lodgings through an electronic marketplace to collect and remit sales taxes if the annual receipts of sales into Kansas exceed \$100,000. Collection of transient guest taxes is required beginning January 1, 2022, and collection of prepaid wireless 911 fees is required beginning April 1, 2022. Certain marketplace facilitators are able to avoid the requirement if sellers on the electronic marketplace are already collecting and remitting such taxes.

Beginning in tax year 2021, the bill increases the Kansas standard deduction by \$500 for all taxpayers and also allows taxpayers to itemize their deductions at the state level even if they take the federal standard deduction.

Beginning in tax year 2021, the bill decouples the Kansas income tax code from 2017 federal tax code changes for certain business tax provisions, including global intangible low-tax income, capital contributions, disallowed business interest, FDIC premiums, and business meal expenses. The bill also expands the expensing deduction to all income taxpayers.

Property Tax

Senate Sub. for HB 2313, among other things, extends the statewide uniform 20-mill school finance property tax levy for two years. The bill also provides for property tax reimbursements, beginning in tax year 2022, for any business that is shutdown or restricted pursuant to a declared emergency disaster by the State or any local government on a per day basis for the number of days shutdown or restricted. The governmental entity ordering the shutdown or restriction would ultimately be responsible for the reimbursement.

TRANSPORTATION

Right of Way for Funeral Processions; Move Over for Utility Vehicles

SB 67 creates law regarding the right-of-way for funeral processions and for

certain vehicles involved in utility repairs. Under certain conditions, the bill gives funeral processions the right-of-way and authorizes funeral escorts to direct vehicle and pedestrian traffic to allow funeral processions to pass through intersections regardless of traffic control devices.

Under certain circumstances, the bill also requires drivers to change into a nonadjacent lane if possible when approaching a stationary utility or telecommunications vehicle.

Driver's License Changes

SB 127 amends law regarding driver's licenses. Among other changes, the bill authorizes online renewal for certain commercial driver's licenses and extends the renewal period until June 20, 2021, for driver's licenses or non-driver's identification cards that expired between March 12, 2020, and March 31, 2021.

For those individuals whose driver's licenses were suspended due to noncompliance with a traffic citation (e.g., not all fines have been paid), the bill removes an additional suspension of 90 days; removes the requirement for an applicant for restricted driving privileges to not have previously received a stayed suspension as a result of a conviction for driving while suspended; removes a fee to apply for restricted driving privileges; and allows a court, upon petition, to waive or modify payments after finding that paying the amount due would impose manifest hardship on the individual or their immediate family.

Vehicle Registration; Military Surplus Vehicles; Antique Vehicles

Certain vehicle registration requirements changed with enactment of two bills.

HB 2014 permits certain non-tracked military surplus vehicles to be registered for road use in Kansas.

HB 2165 amends the definition of an antique vehicle for vehicle registration purposes to add that the age of the vehicle (which must be at least 35 years old) is

determined regardless of the age or type of the components or equipment installed on the vehicle.

Collection of Emergency Contact Information

HB 2245 adds law authorizing the Division of Vehicles, Department of Revenue, to collect emergency contact information and provides for the use of such information by law enforcement agencies. Such information will be confidential and exempt from requests pursuant to the Kansas Open Records Act.

Applicants will be able to voluntarily provide information for one or two emergency contacts when applying for, renewing, or replacing a driver's license, instruction permit, or non-driver's identification card. The bill authorizes law enforcement officers to use the information to make contact with a named individual to report the injury or death of the holder of such license, permit, or identification card.

Peer-to-Peer Vehicle Sharing Program Act

HB 2379 enacts the Peer-to-Peer (P2P) Vehicle Sharing Program Act. The bill defines P2P vehicle sharing as the authorized use of a shared vehicle by an individual other than the shared vehicle's owner through a P2P program and defines additional terms. The bill establishes insurance, liability, recordkeeping, and consumer protection requirements for P2P vehicle sharing. The bill exempts owners, operators, and vehicles already regulated under the Vehicle Dealers and Manufacturers Licensing Act, such as a vehicle dealer temporarily loaning a vehicle.

UTILITIES & TELECOMMUNICATIONS Kansas Energy Choice Act

SB 24 creates law prohibiting municipalities from imposing any binding action (including an ordinance or code) prohibiting, restricting, or limiting an end-use customer's use of retail natural gas or propane. The prohibition does not apply when the end-use customer is the municipality itself.

Critical Infrastructure Facility-related Crimes

SB 172 replaces the crime of tampering with a pipeline with four new crimes: trespassing on a critical infrastructure facility (CIF), aggravated trespassing on a CIF, criminal damage to a CIF, and aggravated criminal damage to a CIF. The bill includes a whereas clause that states the provisions of the bill protect the right to peacefully protest for all Kansans and citizens of the four sovereign nations within the State's borders.

Urban Transmission Lines

HB 2321 requires investor-owned electric utilities, prior to exercising eminent domain to acquire an interest in land or beginning work related to urban transmission line construction, to notify the prospective city where such construction is proposed, notify land owners and tenants within 660 feet of the improvement, conduct an open house, and obtain required permits.

As defined in the bill, an "urban transmission line" is designed to transfer at least 69, but less than 230, kilovolts, and traverses at least 2.5 contiguous miles through a city of at least 300,000 people.

VETERANS & MILITARY

Veterans Home; Tuition Waiver Grants

HB 2021 authorizes the Kansas Development Finance Authority to issue bonds, not to exceed \$10.5 million, for the purpose of financing the construction of a state veterans home facility in northeast Kansas. The bill also extends tuition and fee waivers to spouses and dependents of public safety officers and certain military personnel who were injured while performing service-related duties.

Military Branch License Plates

Sub. for HB 2166, among other things, authorizes distinctive license plates to be issued beginning in 2022 for those who are serving in or were honorably discharged from the U.S. Army, the U.S. Navy, the U.S. Marine Corps, the U.S. Air Force, the U.S. Coast Guard, or the U.S. Space Force.

2021 Legislative Session At-A-Glance

Bill Information

Senate bills introduced in the 2021 Session	315
Senate bills carried over to the 2022 Session	252
House bills introduced in the 2021 Session	454
House bills carried over to the 2022 Session	349

Bills Considered in 2021 Session That Became Law:

House bills	70
Senate bills	46
Percentage of bills that became law:.....	15.1%

Days in Session..... 86

Fiscal Information for FY 2021 (Dollars in Millions)

Estimated State General Fund Revenue	
Income Taxes	\$ 4,159.4
Excise Taxes	3,358.7
All Other	6.7
Total	<u>\$ 7,524.8</u>

Estimated State Budget	
State General Fund	\$ 8,143.2
All Other	12,370.4
Total	<u>\$ 20,513.6</u>

2020 Population Estimate 2,913,805

What's inside this edition of *Legislative Highlights*:

- “Value Them Both” Constitutional Amendment
- COVID-19 Response and Kansas Emergency Management Act
- Unemployment Compensation Modernization
- Education Finance and Policy
- State Budget