Legislative Session Updates

Truth-in-Taxation - SB 13 was worked in the House Taxation Committee on Wednesday. The bill was amended several times during the process, and will now head to the House Floor for action in the next couple of weeks. The House version of the bill would repeal the tax lid starting this year, and would require your budget publication to include the tax neutral rate. The individual notice portion of the bill would not go into effect until 2022 for the 2023 budget. The bill was further amended to divide the cost of the notice by the proportion of the total amount of property tax levied by those entities sending the notice. The House Taxation Committee also exempted out Washburn University and non-city and county units under $100,000 in property tax revenues. The bill still has a long way to go before it is finalized. Please contact Trey Cocking with any questions.

Countywide Sales Tax - Testimony on SB 87 was heard on Thursday. The bill is about a dispute in one county, however, SB 87 is a statewide “solution” that endangers over $271,000,000 in funding to cities across Kansas. The bill would shift dollars that are collected from a countywide general sales tax for cities and the county, and would deliver those funds just to the county. Please see the Department of Revenue’s data spreadsheet to see how much your city would lose if SB 87 becomes law. Please reach out to your Senator and ask them not to support SB 87, the current system in Kansas is working. Please contact Trey Cocking with any questions.

Alcohol Licensing - HB 2212 will have a hearing Tuesday morning in House Federal and State Affairs. This bill, requested by the Director of Alcoholic Beverage Control (ABC), was brought in response to the U.S. Supreme Court’s decision in Tennessee Wine and Spirits Retailers Association v. Thomas in 2019 and a more recent opinion issued by the Kansas Attorney General. The Court concluded that Tennessee statutes treating non-residents of the state differently than residents for the purposes of issuing liquor licenses were in violation the Dormant Commerce Clause of the U.S. Constitution. The Attorney General, relying upon this decision, opined that Kansas Statutes requiring residency in the state to obtain liquor licenses were similarly unconstitutional. This bill aims to fix that problem, removing the residency requirements for obtaining liquor and CMB licenses from state law. The League will be offering testimony in support of this measure. If you have any questions, please contact John Goodyear with any questions.

Rural Housing Incentives - SB 90 passed out of the Senate Commerce Committee for consideration for the full body. The legislation would expand the use of Rural Housing Incentive Districts to include rehab of buildings in central business districts for the purpose of second story or higher residential spaces. Please contact Erik Sartorius with questions.

STAR Bonds - Senate Commerce passed out SB 124, which reauthorizes STAR bonds for five years. Among other elements, the bill would make a “significant” business headquarters as an allowable use part of a STAR bonds bill. “Rural redevelopment projects” would also become eligible, requiring capital investment of $3 million. The bill barely squeaked out of committee and will likely set off a lengthy debate in the Senate. Please contact Erik Sartorius with questions.

Electric Bicycles - Next week both the House and Senate will look at legislation to define further and to regulate electric assisted bicycles. Cities are free at present to regulate bicycles as they see best. This bill would introduce some restrictions for cities on regulating where these e-bikes, divided into three classes, could be ridden. Please contact Deborah Barnes if you have questions.

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**Rural Hospitals** - Just a reminder, there are a series of talks under the auspices of the Kansas Hospital Association about the future of rural healthcare and rural hospitals. There are two rural hospital bills going through the legislature. One sets up a grant program and fund for rural hospitals. We have asked that cities, as well as counties, be able to put up grant applications to KDHE. The other legislation creates a new class of rural hospital, the rural emergency hospital, to enable Kansas rural hospitals to benefit from federal healthcare reimbursement arrangements. The next “rural healthcare conversation” is on February 24, 1:30 to 3:00, for the North Central Region. Please contact Deborah Barnes if you have questions.

A weekly legislative calendar is available to review.