

LEGISLATIVE UPDATES

Friday, March 6, 2026

While the 2026 Legislative Session is nearing its end, there is still plenty left to do. With this week behind us, committees have just one week left to hold most bill hearings. Many bills that have already been discussed but not yet worked by committees will likely receive attention next week. It will also be the final opportunity for hearings on a number of other bills still hoping to move forward. In short, it's a busy time in Topeka.

This week saw lots of action on tax bills and other matters that will impact cities. With first adjournment on March 27, when most of the work will be done by, the next several weeks will be packed with legislative action. Please be mindful that during this time we may send out notices and alerts asking for you to contact legislators.

CONTACT SENATORS: Property Tax Legislation: [HB 2745](#) is a comprehensive property tax bill that passed the House 76-45 with several amendments and had a hearing in the [Senate Assessment and Taxation Committee](#). The League opposes.

We ask all League members to contact the Senate. If you are not sure who your Senator is, [you can find them here](#).

The Senate began working on the bill this week, and made some changes. They will continue their work on Monday morning, and likely pass it out of committee.

The League has broad concerns with the overall structure and long-term impacts of HB 2745. As amended by the Senate Assessment and Taxation Committee, HB 2745 now does the following:

CPIU Threshold

The committee removed the static three percent property tax revenue threshold a city could not exceed and made the threshold now a three-year average of the Consumer Price Index for Urban Consumers (CPIU).

Petition Process to Approve Budgets

If a city exceeds the CPIU cap of property tax revenue in its budget, citizens have 30 days to complete a petition process to overturn that decision and hold the budget to that cap. The petition requires signatures from 10% of the individuals who voted in the most recent secretary of state election in that jurisdiction. The deadline for the petition is September 15.

Also, the bill allows anyone who gets a revenue neutral tax statement to be able to sign that statement and mail it back, and that will be counted as a signature on the petition. This raises many issues, including does this mean someone who owns property in multiple jurisdictions now has a "vote" in all those jurisdictions? This needs clear clarification, as the League believes each individual should only have standing where they are a registered voter.

No Protection for Bonding, Debt, and Economic Development Tools

Bonding and debt obligations are no longer excluded from the CPIU cap. That was a critical protection for cities that have already committed to infrastructure projects, capital improvement plans, and public safety investments funded through general obligation or revenue bonds.

Additionally, incentive projects - including abatements and Tax Increment Financing (TIF) districts - are no longer treated as new growth once they return to the tax rolls. Without this clarification, economic development tools will be unintentionally penalized under the cap, while also risking city bond ratings.

No \$60 Million Relief Fund

HB 2745 originally created a \$60 million state fund intended to provide revenue support to taxing jurisdictions that remain within the three percent cap with a formula guaranteeing that taxing entities - including cities - received an allocation of funds. That provision was removed on the House floor and the Senate has not reinstated it. This fund created real property tax relief for cities, in cooperation with the state. The League believes it needs to be reinstated.

Includes the Revenue Neutral Rate (RNR) Framework

The bill originally eliminated the RNR process. The Senate reinstated it, and included school districts, which originally were exempt from the legislation.

Maintain Taxpayer Notification Provisions

The bill continues mechanisms to ensure taxpayer transparency regarding proposed property tax increases.

By-Right Housing Development: A hearing was held on [SB 418](#), in [House Commerce, Labor and Economic Development](#), creating the By-Right Housing Development Act, which allows residential projects that comply with existing zoning rules to be automatically approved (“by-right”) without discretionary reviews by planning boards or commissions. It would let developers use third-party reviewers and inspectors if city or county authorities don’t act within 15 days. The legislation requires local governments to permit certain features of smaller single-family homes (under 3,000 square feet), such as single-car garages and specific building standards. Additionally, it would exclude owner-initiated rezoning to single-family districts from protest petition rules and effectively treat all land within city limits as zoned for single-family residential use, though reasonable local regulations could still apply.

The League generally opposes, but will be submitting and supporting amendments, to make the bill more workable for cities. This bill creates numerous issues and encroaches on Constitutional Home Rule and local control. It passed the Senate 35-5.

CONTACT COMMITTEE MEMBERS: **Home Business Act:** [HB 2343](#) creates the No-Impact Home-Based Business Fairness Act, establishing a new legal category for certain home-based businesses and significantly limiting how municipalities can regulate them. A hearing was held in [Senate Commerce Committee](#). They could work on the bill next week, and we encourage you to contact committee members with your concerns. The League opposes.

A no-impact home-based business would be defined by a set of criteria (e.g., employees/clients not exceeding occupancy limits, no increased traffic or on-street parking, sales occurring inside the home and not visible from the street). Such businesses would automatically become a permitted use in residential dwellings, meaning cities could not require permits, licenses, variances, rezonings, or other prior approvals solely for their operation. Municipalities could still adopt narrowly tailored regulations related to public health and safety (like fire/building codes) and enforce applicable state/federal requirements, but broad licensing and zoning restrictions would be preempted. It passed the House 74–49 last session. This bill raises several issues for cities:

- Reduced local zoning authority: Cities rely on zoning ordinances and permitting processes to manage land use, preserve residential character, and address neighborhood impacts. By making certain home-based businesses automatically permitted with limited municipal oversight, the bill constrains local zoning flexibility.
- Limits on regulatory and inspection authority: The bill restricts the ability of cities to require registration, permits, or prior approvals. That could reduce municipal capacity to monitor and enforce basic compliance, especially if a business expands beyond what communities might consider “no impact.”
- Public safety and inspection challenges: The bill’s language could make it harder for cities to conduct routine fire, building, or health inspections currently used to protect residents. If a home-based business grows or changes activities, enforcement might require judicial review.

Valuation Cap Amendment: [SCR 1616](#) proposes an amendment to Article 11 of the Kansas Constitution to limit increases in the assessed value of real property and residential mobile homes for property-tax purposes. Annual increases in assessed valuation for most property would generally be capped at three percent per year, regardless of larger changes in market value. The limitation would not apply in certain situations, such as when property is newly constructed, substantially improved, or changes ownership. Because the proposal is a constitutional amendment, it would ultimately need approval by Kansas voters before taking effect. It passed the Senate for the third consecutive year, this time on a vote of 30-10. It had a hearing in [House Taxation](#) and they will now work on the bill.

Freedom From Taxes Fund: [HCR 5034](#) proposes an amendment to the Kansas Constitution relating to state taxation and exemptions. The resolution would revise Article 11 to create a “Freedom from Taxes Fund” and establish a temporary Kansas Citizens Freedom Review Board, which would be tasked with reviewing existing tax exemptions and determining whether such exemptions should be approved or eliminated. The measure proposes eliminating several categories of taxes, including motor vehicle property taxes and fees, state-mandated and state-imposed property taxes, and certain state-imposed income and privilege taxes. Those revenues would be replaced with long-term growth in the fund, through investment, interest and savings. Because it is a constitutional amendment, the proposal would ultimately require approval by Kansas voters before taking effect. It has a hearing on Wednesday, March 11 in [House Taxation](#). The League is neutral, and appreciates the effort to look at other possible measures to reduce property taxes in Kansas.

Short Term Rental Requirements: [HB 2481](#) places temporary limitations on the number of short-term rentals by cities from May 15 to July 25, 2026 to accommodate the World Cup. It would prohibit cities from having any limitations on the number of allowable short-term rentals during this period but not override any other local ordinances. The bill passed the House 110-14 and has a hearing in [Senate Commerce](#) on Thursday, March 12. The League has concerns about the current language and may offer some suggested amendments.

Property Tax Freedom Act: [SB 488](#) enacts the “Kansas Property Tax Freedom Act of 2026,” proposing a phased elimination of property taxes and replacing that revenue with a new statewide surcharge on retail purchases. Under the bill, property taxes would be reduced beginning in 2026, further reduced in 2027, and fully eliminated by 2028. To replace lost revenue for cities, counties, school districts, and other taxing subdivisions, the bill would create a “fair share purchase surcharge” applied to most retail transactions and deposit the proceeds into a newly created Property Tax Freedom Reserve Fund, which would distribute replacement grants to local governments and other entities. The measure would also provide for potential local add-on surcharges to cover general obligation bond debt and includes provisions for “freedom dividend” rebates funded by surcharge revenue. It has a hearing on Tuesday, March 10 in [Senate Assessment and Taxation](#). The League is neutral with concerns.

Universal Homestead Property Tax Exemption: [SB 489](#) would create a universal homestead property tax exemption beginning in tax year 2028. The bill exempts the first \$10,000 of appraised valuation of a homeowner’s primary residence from all ad valorem property taxes levied by local taxing subdivisions, including cities, counties, school districts, and special districts. Homeowners would be required to designate a single primary residence to receive the exemption, and the benefit would apply in addition to existing property-tax relief programs such as the statewide school levy exemption and the Homestead Property Tax Refund program. The League opposes as currently written, and will request an amendment to put in place an income qualifier, similar to the current homestead program. It has a hearing on Wednesday, March 11 in [Senate Assessment and Taxation](#).

Road Cost Sharing: [HB 2571](#) would require cost-sharing agreements between neighboring municipalities for the maintenance of roads they both use. Cities and towns that share responsibility for a roadway would need to agree in advance on how maintenance costs are divided, rather than each jurisdiction independently deciding how to fund or perform upkeep on segments of a shared route. It would also require cities and counties to work out an agreement within 180 days. The bill passed the House. It has a hearing on Tuesday, March 10 in [Senate Local Government, Transparency and Ethics](#). The League is neutral.

Homestead Program Changes: [SB 402](#) makes changes to the Homestead Property Tax Refund program to provide property tax relief to eligible homeowners such as seniors, disabled individuals, veterans, and lower-income households. The bill modifies how household income is defined for eligibility purposes, creates a single claim form to simplify the application process, and allows individuals to remain eligible for the refund if they must temporarily live away from their home due to health or hardship circumstances. It also protects eligibility for claimants whose home value later exceeds \$350,000 if they previously qualified and establishes a fixed household income threshold for the Selective Assistance for Effective Senior Relief (SAFESR) credit so eligibility does not fluctuate annually. It passed the

Senate 39-1 and had a hearing this week in [House Taxation](#). The League supported but requested the home value threshold be slightly lower.

NEW LAW NOTICE: Multiple Occupancy Private Space Restrictions: [House Substitute for SB 244](#) establishes new statewide requirements governing the designation and use of multiple-occupancy private spaces - such as restrooms, locker rooms, changing rooms, and showers - in public buildings. The bill requires governing bodies of public entities to designate these spaces for use by only one biological sex, with limited exceptions. It also has a provision relating to driver's license designations. This bill was passed by the House 87-36 and Senate 30-9. The governor vetoed and her veto was overridden by the House and Senate, and it became law on Thursday, February 26.

For cities, this law has direct operational and fiscal impacts, including the need to review and redesignate facilities in municipal buildings, update signage and policies, train staff on compliance and exceptions, and manage the risk of fines, enforcement actions, or civil liability if city facilities are found to be out of compliance. *The League has additional information and some guidance in League News which came out Tuesday*, including a video for members. You can find this information on the League website at www.lkm.org. Cities can also contact the League Legal Team if you have additional questions.

KORA: [HB 2460](#) modifies the Kansas Open Records Act (KORA) by creating additional exceptions to the public disclosure of certain personal information on government websites. The bill allows members of the Legislature and other specified public officials, including local elected officials, to request that identifying information — such as their home address or home-ownership status — be restricted from public access on publicly searchable websites. It also allows, if an individual had served for at least five years and is now retired from that position, and residing at an affected address to request similar protections in certain cases. The League supports. It has a hearing on Monday, March 9 in [Senate Judiciary](#).

Electric Fence Regulation Preemption: [HB 2603](#) prohibits cities, counties, and other local governments from regulating battery-charged security fences, preventing municipalities from adopting local rules or ordinances that govern the design, installation, or use of these types of security fences. The bill aims to create a uniform statewide standard for battery-powered security fence regulation by removing local regulatory authority. The League opposes, as this is an overreach and encroachment on Constitutional Home Rule and local control. It also poses safety risks by not allowing limitations on these fences in certain areas. It passed the House 86-38 and had a hearing in [Senate Local Government Committee](#). That committee passed the bill out to go to the full Senate.

Cities of the Third Class Dissolution: [HB 2711](#) modifies and updates procedures for dissolving cities of the third class — the smallest incorporated cities. The bill revises the legal and administrative steps required for dissolution and clarifies how assets, liabilities, and governance responsibilities are handled when a city is dissolved. The bill passed the House 122-0 and had a hearing in [Senate Federal and State Affairs](#). The League supports.

Public Resources in Elections: [HB 2451](#) prohibits government officers and employees from using public resources to advocate for or against constitutional amendments or ballot questions. This includes the use of public funds, equipment, facilities, and employee time for election-related advocacy. For cities, this legislation would directly affect how local

governments communicate about ballot issues such as bond elections, sales tax questions, and charter ordinances. City staff and officials would need to ensure that any communications are strictly informational, as the bill could limit the ability to actively promote or oppose measures, even when those measures impact city operations or infrastructure. The League opposes. The bill passed the House 88-36 and now moves to [Senate Federal and State Affairs Committee](#) for a hearing.

Taxpayer Agreement Act: [HB 2737](#) would enact the “Taxpayer Agreement Act,” creating a new tool for cities to finance certain economic development projects through agreements with participating taxpayers. Municipalities could enter into taxpayer agreements that allow property owners within a defined project area to voluntarily contribute payments that function similarly to tax increment financing (TIF), with those revenues used to support eligible development costs. The bill establishes the framework for creating these agreements, outlines the process for municipal approval, and specifies how funds generated through agreements may be used to support public improvements or other project-related expenses. The League is neutral. The bill had a hearing this week in [Senate Local Government, Transparency and Ethics](#).

Neighborhood Revitalization: [HB 2470](#) would allow cities with populations of 10,000 or less to designate their entire municipal boundaries as a neighborhood revitalization area under the Kansas Neighborhood Revitalization Act. This change would make it easier for municipalities meeting specific criteria to offer property tax rebates and other incentives across the whole city to encourage redevelopment, renovation, and new investment, rather than limiting revitalization incentives to smaller, discrete areas. The League supports the bill. It passed the House 115-4 and had a hearing in [Senate Assessment and Taxation](#) this week.

Rent Qualifications Preemption: [HB 2504](#) and [SB 391](#) would prohibit cities and counties from adopting or enforcing local ordinances that limit a landlord’s discretion in choosing tenants based on lawful income sources, credit history, or eviction record. It also prevents local limits on security deposit amounts or automatic rights of first refusal. The League opposes general preemption bills, especially when there is not a statewide issue to address. HB 2504 passed the House 84-40 and SB 391 passed the Senate 31-9. SB 391 had a hearing this week in [House Federal and State Affairs](#), and the committee will likely work on the bill next week. HB 2504 has a hearing in [Senate Commerce](#) on Wednesday, March 11.

Undocumented & Public Benefits: [SB 254](#) passed the Senate 30-9 and House 86-36. It proposes changes to how state and local government agencies administer public benefits with a focus on immigration status and eligibility. Key provisions impacting cities are that no person *unlawfully present* in the United States is eligible for any state or local public benefit, except those required by federal law. Applicants aged 18 and older need to show proof of lawful presence when applying for benefits, and local agencies must verify immigration status through the federal systematic verification program. The League opposes as written and asks for amendments in conference committee clarifying cities will not be out of compliance when providing immediate need services such as food, warming center allowances, and similar services.

County Sales Tax Authority: [HB 2712](#) would expand local sales tax authority by allowing cities and counties to propose new or increased retailers’ sales taxes to voters for a variety

of local purposes, including infrastructure and public services, and by setting clearer rules for how these dedicated tax revenues can be used and how long special purpose taxes may remain in effect (limiting them to 10 years). The bill updates existing city and countywide retailers' sales tax laws to provide more flexibility in dedicating revenue for local projects while requiring voter approval before the taxes can take effect. It passed the House this week. The League supports, as long as the language does not change to impact cities.

If you have any questions or comments on any of these issues, or others, contact Spencer Duncan, Government Affairs Director, at 785-354-9565 or sduncan@lkm.org

Limitations on Suits for Public Nuisance: [SB 462](#) places limitations on civil actions for public nuisance. The bill was heard in [House Judiciary](#) this week. The League opposed the legislation and focused our testimony on two major deficiencies in the bill; the limiting language on what could be brought as a public nuisance claim was drafted far too broadly, and the causation standard would almost certainly ensure that any claim for public nuisance that survived the limitations on the cause of action would ultimately be unsuccessful. This bill is bad for the state and bad for Kansans. We will continue to monitor the bill.

Contingency Fee Contracts for Legal Services: [HB 2593](#) was heard in [Senate Judiciary](#) this week. The bill would require municipal governments to submit certain contingency-fee legal contracts for legal services to the attorney general's office for review and approval. The League opposed the original bill and requested amendments to clarify the justifications allowing the attorney general to invalidate a contract for legal services and to provide a mechanism for judicial review of the attorney general's determination. Those amendments have been added to the bill and the League has shifted to a more neutral position moving forward provided that the amendments remain. In the hearing, the proponents for the bill suggested that those amendments be removed, so the League is engaging members of the committee.

Competency Evaluations in Municipal Court: [SB 481](#) establishes a procedure for ordering and determining competency in municipal court. The League introduced this bill and has testified in support. We hope the [House Judiciary Committee](#) will move this important legislation forward.

Consequential Damages in Public Construction Contracts: [SB 335](#) would require that all public construction contracts include a mutual waiver of consequential damages. The League opposed the bill as an unnecessary limit on the freedom to contract. The bill passed out of the [Commerce Committee](#) and was passed by the House on Thursday March 4. The bill now goes to the Governor's desk and will become law.

If you have any questions or comments on any of these issues, contact John Goodyear, General Counsel, at 785-354-9565 or jgoodyear@lkm.org.

TESTIMONY NEEDED: Water Grant Program: [SB 317](#) would establish rules, regulations, and additional criteria for the water projects grant fund and the water technical assistance fund. The League does not have an opinion on the establishment of rules and regulations but has concerns regarding the grant criteria. Our concerns include: responsible management of resources, 25-year water supply, preliminary engineering report, restrictions for larger municipalities, administrative impacts, and access to infrastructure funding. Please submit

testimony if you have any feedback or concerns about this bill. We will submit neutral testimony. A hearing will be held on Tuesday, March 10 in the [House Committee on Water](#). Testimony can be submitted to Water@house.ks.gov but must be turned in NO LATER than 9:00 a.m. Monday, March 9.

Water Reuse: [HB 2462](#) would require the Kansas Department of Health and Environment to establish rules to provide guidance for the re-use of wastewater effluent for consumer use by July 1, 2028. The bill passed unanimously out of the House Water Committee and passed the House 123-1. A hearing will be held on Thursday, March 12 in the [Senate Committee on Agriculture and Natural Resources](#). Testimony can be submitted to S.Agriculture@senate.ks.gov but must be turned in NO LATER than 8:30 a.m. Wednesday, March 11.

If you have any questions or comments on any of these issues, contact Wendi Stark, Legislative Liaison, at 785-354-9565 or wstark@lkm.org.

Mail Ballot Elections: [HB 2503](#) repeals the mail ballot election act. This bill would eliminate mail ballot elections at all levels. The League opposes, as mail ballot elections have proven effective for cities, and it takes away an avenue for members to engage constituents in certain local elections. The bill passed the House 72-50 and will head to a Senate committee for consideration.

If you have any questions or comments on this issue, contact Sage Pourmirza, at 785-354-9565 or spourmirza@lkm.org

TESTIMONY REQUESTED: Rural Attorneys: [HB 2595](#) would create and fund a rural legal training program at Kansas's two law schools that would provide funds to support students seeking to practice in rural Kansas. The bill would require students receiving funds to practice in rural Kansas for 12 consecutive months for each school year of funds received while in law school. The bill was amended to sub in the loan repayment and advisory committee portions of last year's [HB 2174](#), on which the League also submitted proponent testimony. A sunset provision was added to the bill. The bill has been set for a hearing in the [Senate Judiciary Committee](#) on Tuesday, March 10. The League plans to submit proponent testimony. Testimony is due to Barbara.Moore@Senate.Ks.Gov **NO LATER THAN 10:30 a.m.** the day before the hearing; the League can deliver the required 18 paper copies of testimony upon request.

Flashing Lights: [HB 2522](#) would authorize stationary highway construction and maintenance vehicles to display flashing, rotating, or oscillating amber, green, or white lights at all times in a road construction zone. Additionally, the bill would allow stationary trailers engaged in highway construction and maintenance operations to display flashing, rotating, or oscillating white and blue lights within the area of a construction zone during the nighttime hours when workers are present. A hearing was held in the [Senate Transportation Committee](#) on Tuesday, March 3; the League submitted proponent testimony. A few amendments were proposed to ensure that the maximum amount of the road and right of way would be covered by the bill and to clarify that blue and white lights on trailers would only be used at the beginning of the construction zone. The Committee may work the bill next week.

Animal Shelters: [SB 344](#) would provide animal shelters the option to release animals from their custody following a holding period to foster homes that could provide care to neonate animals needing treatment or care that the shelter could not provide. Additionally, the bill would require photographs of animals being housed at a foster home to be displayed both at the shelter and on the shelter's website throughout the foster period. The bill also incorporates an existing statute relating to inspection record-keeping requirements, making a small update to the retention period. The bill had a hearing in the [House Agriculture and Natural Resources Committee](#) on Wednesday, March 4. The League submitted proponent testimony and a request for a small amendment that would allow shelters to post photos of animals on social media or in other locations. The Committee plans to work the bill on Tuesday, March 10.

Agritourism Zoning: [SB 519](#) would prevent cities and counties from enforcing any building code, ordinance, or resolution regulating the use of certain nonpublic registered agritourism locations. Categories of impermissible regulation at the local level include but are not limited to health and safety; property maintenance; facility usage; and requirements for licenses, permits, and fees. The bill also amends the statutory definition of agritourism activity. Though the legislation seems narrowed to a particular situation, the League plans to submit written opponent testimony for a hearing in the [Senate Agriculture and Natural Resources Committee](#) on Wednesday, March 11.

If you have any questions or comments on any of these issues, contact Anne Marie Yatsula, at 785-354-9565 or ayatsula@lkm.org.