

LEGISLATIVE UPDATES

Friday, February 20, 2026

CONTACT HOUSE MEMBERS: **Property Tax Legislation:** [HB 2745](#) is a comprehensive property tax bill that passed out of the [House Taxation Committee](#) with several amendments. The bill was put forward by House and Senate leadership and will be debated and voted on next week.

While the League continues to have broad concerns with the overall structure and long-term impacts of HB 2745, we encourage cities to [contact House members](#) and urge them to retain three critical amendments adopted in committee:

- An amendment eliminating the mandatory November election provision.
- An amendment protecting bonding and debt from the 3% calculation; and
- An amendment ensuring cities receive a portion of the replacement fund.

These provisions are essential safeguards if the bill is to move forward. If you are not sure who your House member is, [you can find them here](#).

Thanks to Representatives Adam Smith, Robyn Essyx, Dawn Wolf, and Carolyn Caiharr, the committee adopted three important amendments to the original bill:

Amendment One: Removal of Mandatory November Election Requirement

The original bill required a city that exceeded the three percent property tax revenue cap to submit the increase to voters on the November ballot. Because of budget timelines, this would have effectively required cities to seek voter approval for budgets two years in advance — creating significant planning, cash-flow, and operational challenges.

The amendment removed this election requirement and replaced it with a protest petition process. If a city exceeds the three percent cap, citizens may file a protest petition requiring signatures from 10% of the individuals who voted in the most recent presidential election in that jurisdiction.

Amendment Two: Protection for Bonding, Debt, and Economic Development Tools

The committee adopted an amendment excluding bonding and debt obligations from the three percent property tax calculation. This is 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, the amendment allows incentive projects - including abatements and Tax Increment Financing (TIF) districts - to be treated as new growth once they return to the tax rolls. Without this clarification, economic development tools could have been unintentionally penalized under the cap, while also risking city bond ratings.

Amendment Three: Guaranteed Distribution from the \$60 Million Relief Fund

HB 2745 creates a \$60 million state fund intended to provide revenue support to taxing jurisdictions that remain within the three percent cap. The original bill directed these funds to counties, which could then distribute funds to cities at their discretion or through local agreements. The adopted amendment creates a formula guaranteeing that taxing entities - including cities - receive a direct allocation of funds.

Potential Floor Changes

Efforts may be made during floor debate to alter or remove these amendments. The League encourages cities to contact House members about the value of these amendments and the role they play in making the bill more workable. While HB 2745 continues to raise concerns for cities, these amendments represent improvements that must remain intact if the legislation advances.

Original Bill Summary – HB 2745 – Prior to Amendments

HB 2745 proposes significant changes to how local property tax increases are approved and implements a new state property tax relief mechanism. The bill would:

- **Require Voter Approval for Property Tax Increases Above a Three Percent Cap**

The bill establishes a three percent property tax revenue growth limitation. If a taxing jurisdiction seeks to exceed this cap (subject to the protest petition amendment described above), additional procedures would apply.

- **Replace the Revenue Neutral Rate Framework**

The bill moves away from the current revenue neutral rate system and imposes a statutory property tax revenue limit based on the prior year's collections, with limited growth allowed without additional procedural steps.

- **Create a \$60 Million Property Tax Relief Fund**

The legislation establishes a state-funded relief mechanism to provide revenue to jurisdictions that stay within the three percent cap. As amended, cities would be guaranteed a share of this fund through a statutory formula rather than relying solely on county distribution.

- **Maintain Taxpayer Notification Provisions**

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

The League of Kansas Municipalities continues to evaluate the full implications of HB 2745 and maintains general concerns about long-term constraints on local budget flexibility, the impact on infrastructure and public safety funding, and the precedent of imposing rigid state-mandated caps. However, if the bill moves forward, it is essential that the committee-adopted amendments — particularly those protecting bonding and debt and eliminating the mandatory election requirement — remain in place.

By-Right Housing Development: [SB 418](#) creates the By-Right Housing Development Act, which aims to speed up housing development by allowing 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 opposes, as this bill creates numerous issues for cities and encroaches on Constitutional Home Rule and local control. It passed the Senate 35-5 and will now go to the [House Commerce, Labor and Economic Development Committee](#).

Short Term Rental Requirements: [HB 2481](#) temporarily defines a short term rental as having three bedrooms instead of two, and prohibits limitations on short term rentals by cities from May 15 to July 25 2026 to accommodate the World Cup. The bill passed the House 110-14 and will move to the Senate for hearings.

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 the Senate for a hearing.

Electric Fence Regulation Preemption: [HB 2603](#) would prohibit cities, counties, and other local governments in Kansas 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 in this area. The League opposes, as this is an overreach and encroachment on Constitutional Home Rule and local control. It passed the House 86-38 and now moves to the [Senate Commerce Committee](#).

Pharmacy Benefit Manager Regulations: [SB 360](#) enacts the Kansas Consumer Prescription Protection and Accountability Act, creating a comprehensive regulatory framework for pharmacy benefit managers (PBMs) - the entities that manage prescription drug benefits for insurers and health plans. The bill requires PBMs to report rebates and pricing practices, and establishes audit standards, licensing requirements, and enforcement authority under the Kansas Insurance Department. A key provision requires PBMs to reimburse pharmacies at no less than the National Average Drug Acquisition Cost (NADAC) plus a professional dispensing fee of at least \$10.50 per prescription. While the fee is not a direct charge on patients, it establishes a minimum reimbursement floor that could increase overall prescription drug costs within health plans. For cities, this may translate into higher healthcare and insurance costs for employee benefit plans, as PBMs and insurers adjust pricing to account for the required dispensing fee. Over time, those increased costs could put

additional pressure on municipal budgets, particularly for self-funded or partially self-funded health plans. The League is still evaluating this provision. It passed the Senate 32-8 and will head to a House committee for hearing.

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 and it passed the House 115-4 and will now go to a Senate committee for consideration.

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. It will now go to either conference committee or be accepted by consent in each chamber and go to the governor.

Residential Speed Limit: [HB 2220](#) would change traffic law to let cities and counties lower residential speed limits to 25 mph without first conducting an engineering and traffic study, simplifying the process for local authorities to reduce speeds in neighborhood streets. It focuses solely on residential districts and keeps current speed-limit procedures for other roads. The League supports. The bill passed the House 111-13 and will now go to a Senate committee for consideration.

Cities of the Third Class Dissolution: [HB 2711](#) would modify and update the 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 will now go to [Senate Local Government Committee](#) for consideration.

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.

TIF Investments: [HB 2737](#) would enact the Taxpayer Agreement Act, creating an alternative method for financing municipal economic development projects. Cities could enter into taxpayer agreements with property owners or developers in designated redevelopment or tax increment financing (TIF) districts. These agreements would allow for voluntary, binding payment obligations that can support financing or securing project costs — including through liens, payments in lieu of taxes, or bonds that are not a direct obligation of the city. The new structure is intended to provide cities with more flexibility and options to finance

redevelopment projects. The League provided neutral testimony. The bill passed the House 110-14 and will go to a Senate committee for a hearing.

Sprinkler Systems: [HB 2739](#) would prohibit requiring fire sprinkler systems in certain residential buildings. Multi-family dwellings with four attached units or fewer would not be required to install fire sprinkler systems, and cities and counties could not mandate them through building codes. The bill also clarifies definitions related to residential structures and apartment buildings under the fire code. This bill is in response to current concerns with conflicts between the state fire marshal and enforcement of state law. As of this writing, a vote had not been taken but it is expected to pass the House.

Default Rental Property Standards: [HB 2634](#) amends the Residential Landlord-Tenant Act by requiring landlords to comply with a default maintenance code in any city or county that has not adopted its own local housing or property maintenance standards. In effect, the bill establishes a state-level baseline for rental property conditions. As of this writing it was still being debated in the House, but likely to pass and move to the Senate for hearings.

Candidate Vacancies: [SB 392](#) makes changes to election law, primarily addressing how vacancies and candidate withdrawals are handled. The bill prohibits filling a vacancy in a joint candidacy for governor and lieutenant governor and establishes clearer rules for when candidates may withdraw from elections, including those for cities, school districts, and community colleges. By limiting when withdrawals can occur, it may reduce last-minute ballot changes and administrative uncertainty. The League supports. It passed the Senate 40-0 and will move to a House committee for consideration.

World Cup Liquor Sales Expansion: [SB 393](#) would allow the sale of alcoholic beverages 24 hours a day, seven days a week for the duration of the 2026 FIFA World Cup. It would temporarily suspend existing restrictions on hours of alcohol sales to align with international event schedules and anticipated demand. Local governments may need to consider enforcement, public safety, and staffing impacts associated with extended hours of alcohol service, particularly in areas expecting increased visitors. Cities may also need to evaluate whether to adopt local controls or regulations to manage late-night operations during the event period. The bill has a hearing on Wednesday, February 25 in [Senate Commerce Committee](#).

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 will ask for an amendment 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.

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. This bill was passed by the House 87-36 and Senate 30-9. The governor vetoed the bill and her veto was overridden by the House and Senate, so it will become law within the next 30 days. For cities, this legislation 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.

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 has a hearing in [House Taxation](#) on Wednesday, February 25.

KORA Protections: [HB 2460](#) amends the Kansas Open Records Act (KORA) to expand protections for certain public officials by allowing them to request that identifying information -such as home addresses and related property information - be restricted from publicly searchable websites. The bill applies to legislators, statewide elected officials, members of the State Board of Education, and local elected municipal officials, and makes related technical updates to current disclosure exemptions. The bill passed the House 97-27 and will now move to a Senate committee for a hearing.

Animal Shelters: [SB 344](#) provides animal shelters the option to release animals from custody following a holding period to foster homes that could provide care to sick, injured, or neonate animals needing treatment or care the shelter cannot provide. Additionally, the bill would require that photographs of animals not held at a shelter be displayed at the shelter and the shelter's website. The bill passed the Senate 40-0. The League supports.

Railroad Hall of Fame: [SB 353](#) would designate an official Kansas Railroad Hall of Fame and create a formal selection committee responsible for choosing inductees. The bill establishes the structure and process for recognizing individuals, organizations, or entities that have made significant contributions to the development and history of railroads in Kansas. It passed the Senate 40-0 and will go to a House committee for consideration.

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

Contingency Fee Contracts for Legal Services: [HB 2593](#) 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 League has shifted to a more neutral position moving forward. The bill passed in the House 77-45.

Limitations on Suits for Public Nuisance: [SB 462](#) places limitations on civil actions for public nuisance. The bill was amended by [Senate Judiciary](#) to remove some of the more troublesome aspects of the bill regarding monetary damages and lack of standing where the harm is not contained to one political subdivision. The League still opposes the legislation because, as drafted, it will effectively end public nuisance claims in the State of Kansas. The bill passed in the Senate 29-11. The League will continue to oppose the bill outright as it moves to the House.

Right of Way Parity: [HB 2586](#) would require telecommunications providers that provide broadband services to pay franchise fees to municipal governments for those broadband services. While better than the status quo, the legislation has some holes in it, and the League was neutral on the bill suggesting ways to close those loopholes. The League remains engaged with stakeholders but does not expect that anything will move this session.

Competency Evaluations in Municipal Court: [SB 481](#) establishes a procedure for ordering and determining competency in municipal court. The League introduced this bill and will testify in support. The bill was amended to make it clear that a case could be refiled against the defendant should they regain competency. The bill passed in the Senate 40-0.

Annexation: [SB 124](#) was heard in [Senate Local Government](#) on Tuesday, February 3. The bill would effectively eliminate unilateral annexation. The League along with a number of cities opposed the bill. It seems that this bill may be headed for an interim in the legislative offseason to study the issue.

Consequential Damages in Public Construction Contracts: [SB 335](#) would require that all public construction contracts include a mutual waiver of consequential damages. The League is opposed to the bill as an unnecessary limit on the freedom to contract. It passed in the Senate 37-2. The League will continue to oppose the bill as it moves to the House/

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.

Flashing Lights in Construction Zones: [HB 2522](#) would permit highway construction and maintenance vehicles to be equipped with flashing amber, white, and green lights in road construction zones and flashing blue and white lights under certain conditions. The bill passed the House 118-4 and will go to a Senate committee for consideration.

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 bill passed the Senate 40-0 and will now go to a House committee for consideration.

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 the House 123-1 and will now go to a Senate committee for consideration.

Water Funding: [HB 2558](#) would increase funding for the Technical Assistance Fund Grants from \$5 M to \$15.5 M and increase funding for the Water Projects Fund Grants from \$12 M to \$22.5 M annually for the next three years. The bill also extends the sunset until 2031. The House did not take action on the bill this week.

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.

CONTACT HOUSE MEMBERS: **Even-Year Elections:** [HB 2452](#) reschedules elections for cities, school districts, community colleges, and other local “municipalities” to be held in even-numbered years instead of current odd-year timing, and standardizes the terms of municipal elected officials at two or four years. It establishes the first elections under the new schedule for August and November 2028 and adjusts existing terms, so they align with the new cycle, by reducing current terms by one year. It makes it legal for someone running for two offices to be on the same ballot (i.e. running for legislature and city council). The League opposes and is asking you to contact House Members immediately to express your concerns. The bill passed the [House Elections Committee](#) and is headed to the full House for a vote at some point. You can find House members [here](#). To find your specific legislator, visit [this site](#).

If you have any questions or comments on any of these issues, contact Sage Pourmirza, Staff Attorney at 785-354-9565 or spourmirza@lkm.org.

Municipal Specialty Courts: [HB 2655](#) would authorize the chief judges of municipal courts to establish specialty court programs and would provide for expungement of convictions and related arrest records when a person has completed a specialty court program. The bill was considered by the full House on Thursday, February 19; further amendments were made to the expungement provisions pertaining to arrest records. The bill passed by a vote of 115-1.

Hazardous Waste Fees: [SB 407](#) would allow the Kansas Department of Health and Environment to promulgate regulations that would increase fees for hazardous waste permitting and monitoring as set out in the department’s economic impact statement. The [fee increase](#) is being attributed to a budget shortfall at KDHE, which administers the program. On Monday, February 16, the [Senate Agriculture and Natural Resources Committee](#) amended the bill to include a reporting requirement for KDHE required by another state law and passed it out of the Committee to the full Senate, which recommended the bill favorably for passage on Wednesday, February 18. The League is continuing to monitor the bill’s possible effects on municipal hazardous waste disposal costs. Please contact [Anne Marie Yatsula](#) if your city would be affected by this bill.

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 League submitted proponent testimony. On Monday, February 16, the [House Agriculture and Natural Resources Committee](#) amended the bill to include the loan repayment and advisory committee portions of last year’s [HB 2174](#), in which the League also submitted proponent testimony. A sunset provision was added to the terms inserted from HB 2174. The Committee

passed the bill favorably out for consideration by the full House, which passed it by a vote of 118-4 on Thursday, February 19.

Golf Carts: [SB 367](#) would give cities the authority to pass ordinances that would allow people to drive golf carts on sidewalks, so long as they are at least 16 years old and have a valid Class C driver's license. The Senate passed the bill 40-0, and it now heads to the [House Transportation Committee](#) for consideration.

License Plates: [SB 325](#) is intended to respond to the Kansas Supreme Court's ruling in [State v. Beck](#), where the court found that current law on license plates does not require a state's name to be clearly visible on a license plate. The Senate approved the bill for passage on Tuesday, February 17. The bill now heads to the [House Transportation Committee](#) for consideration.

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