



# 2022 LEGISLATIVE HIGHLIGHTS

Kansas Legislative Research Department

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## AGRICULTURE & NATURAL RESOURCES

### Advertising and Sale of Raw Milk Products; Certificate of Veterinarian Inspection

**SB 346** allows the on-farm retail sale of unpasteurized raw milk products and regulates the labeling and advertising of such products. The bill allows the Secretary of Agriculture to declare an imminent health hazard when necessary to protect the public health and to assess a civil penalty for certain violations. The bill also authorizes the imposition of civil penalties for failing to have a certificate of veterinarian inspection when transporting animals into the state.

### Kids Lifetime Hunting and Fishing Licenses

**HB 2456** requires the Secretary of Wildlife and Parks to make available a kids lifetime combination hunting and fishing license for Kansas residents up to seven years of age. The license is available for children age five and under upon payment of a fee that will not exceed \$300, and for six- and seven-year-olds upon payment of a fee that will not exceed \$500.

### Kansas Cotton Boll Weevil Act

**HB 2559**, among other things, establishes the Kansas Cotton Boll Weevil Act and creates the Kansas Cotton Boll Weevil Program. The bill creates and authorizes a board to administer and implement the Program. The bill allows the board to authorize the development and implementation of a boll weevil eradication plan with the Secretary of Agriculture.

### Veterinary Training Program for Rural Kansas

**HB 2605** expands and clarifies the requirements for the Veterinary Training Program for Rural Kansas at Kansas State University College of Veterinary Medicine and creates an advisory committee to oversee the Program. The bill increases the loans provided to students to \$25,000 per year and allows veterinary students who are past their first year of study to enter into the Program.

The bill changes the requirements for engaging in full-time practice of veterinary medicine after graduation, by allowing such practice in any Kansas county with a population not exceeding 40,000 people, or in a registered veterinary premise under a licensed veterinarian if food animal patients make up at least 50 percent of the practice.

## ALCOHOL

### Sale and Consumption of Liquor and Cereal Malt Beverage

**SB 2** amends various provisions in the Kansas Liquor Control Act (KLCA) and the Club and Drinking Establishment Act concerning the sale and consumption of alcoholic liquor and cereal malt beverage (CMB).

The bill allows the consumption of alcoholic liquor served by a temporary permit holder on the Kansas State Fairgrounds within a marked barrier.

The bill also amends the KLCA to specify that a licensed liquor retailer may sell and deliver liquor and CMB to licensees located in the same county, an adjacent county, or another nearby county as defined by the bill.

Additionally, the bill requires the board of county commissioners, the governing body of the city, or the Director of Alcoholic Beverage Control to issue a CMB retailer's license to a licensee who has already been issued a farm winery license and satisfies the requirements for such CMB retailer's license.

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### **Legal Advertising; Protected Health Information**

**SB 150** specifies that certain legal advertising practices and the use of protected health information to solicit individuals for legal services constitute unlawful and deceptive trade practices under the Kansas Consumer Protection Act (KCPA) and are subject to the penalties provided for in the KCPA.

### **APEX Act**

**House Sub. for SB 347** enacts the Attracting Powerful Economic Expansion (APEX) Act, which provides incentives to firms that invest at least \$1.0 billion in Kansas, and their suppliers.

Qualified firms, which are required to enter into an agreement with the Secretary of Commerce, would be eligible for a refundable investment tax credit up to 15 percent of the qualified investment, reimbursement of up to 10 percent of total payroll cost for up to 10 years, reimbursement of up to 50 percent of employee training and relocation expenses, and a sales tax exemption for construction of certain business facilities.

Qualified suppliers would be eligible for a refundable investment tax credit up to 10 percent of up to \$100 million of investment, partial retention of employee withholding tax for up to 10 years, reimbursement of up to 50 percent of employee training and relocation expenses, and a sales tax exemption for construction of certain business facilities.

The Secretary is permitted to enter into one APEX agreement in both 2022 and 2023. Each APEX agreement entered into would lower the statewide corporation income tax rate by 0.5 percent. All agreements made under this act must be approved by the State Finance Council.

### **Kansas Targeted Employment Act; My Reemployment Plan**

**HB 2703** creates the Kansas Targeted Employment Act and amends law related to the My Reemployment Plan Program (Program), among other provisions.

The Act establishes a tax credit for businesses that employ individuals who are Kansas residents with developmental disabilities.

The bill also requires unemployment compensation claimants who claim three or more weeks of benefits in a year to participate in the Program, instead of only those claiming three continuous weeks of benefits. Among other amendments to the Program, the bill creates exemptions to the requirement.

### **CONSTITUTIONAL AMENDMENTS**

#### **Legislative Rule and Regulation Oversight**

**HCR 5014** sends to the voters of Kansas a constitutional amendment to authorize the Legislature to revoke or suspend an administrative rule and regulation of the Executive Branch with a majority vote of the House and the Senate. The amendment will appear on the November 2022 ballot or on the ballot of a special election called before then.

#### **Election of County Sheriffs**

**HCR 5022** sends to the voters of Kansas a constitutional amendment to require the election of a county sheriff, for a term of four years, in counties that had not abolished the office of sheriff before January 11, 2022.

### **COVID-19**

#### **Temporary Licensing for Adult Care Homes and Health Care Professionals**

**HB 2477** creates and amends law to temporarily adjust requirements related to adult care homes and health care professionals in response to

the COVID-19 pandemic. The bill's provisions will expire January 20, 2023.

**Adult Care Homes.** The bill authorizes the Kansas Department for Aging and Disability Services (KDADS) to issue temporary credentials to certain persons working in adult care homes whose credentials have lapsed, subject to conditions specified by the bill. The bill also allows KDADS to issue temporary authorization for persons not previously credentialed to work in adult care homes in certain limited circumstances.

The bill also allows an adult care home to temporarily suspend certain requirements related to the physical environment of such home when it submits a plan for isolation and cohorting of residents in response to COVID-19.

**Health Care Professionals.** The bill allows out-of-state health care professionals to practice in Kansas without a license if certain conditions are met and relaxes several licensing requirements for Kansas health care professionals in order to provide additional services.

### **ELECTIONS & ETHICS**

#### **Elections and Voting**

**Senate Sub. for HB 2138** amends and creates law pertaining to elections and voting rights.

**Affidavit System.** The bill requires the Secretary of State (Secretary), in consultation with county election officers, to develop an affidavit system for the transfer of ballots. Altering or providing false information in an affidavit with the intent to hinder, prevent, or defeat a fair election constitutes a severity level 9 nonperson felony under the bill.

**Elections Audits.** The bill creates an election audit procedure to be conducted by the Secretary in the calendar year following the general election of an even-numbered year. The bill also requires a

manual audit or tally of each vote cast in an election in ten percent of all precincts, or a minimum of one precinct, in any even-numbered year federal, statewide, or state legislative race where the margin of victory is within one percent.

**Watermarks.** The bill requires all voting systems in Kansas to use a paper ballot with a distinctive watermark, as established by the Secretary, for elections on and after January 1, 2024. The bill prohibits the use of poll books not requiring a hand-written signature.

**Confirmation Notices.** The bill allows a county election officer to remove a registered voter from the registration list if such registrant has had no election-related activity for any four-calendar-year period and the confirmation notice sent by the county election officer is returned as undeliverable.

**Election Results—State Board of Canvassers.** The bill requires each county election officer to provide precinct-level election results electronically in a machine-readable format for all federal offices, statewide offices, legislative offices, and local offices no later than 30 days after the final canvass of general election results.

**Electronic Poll Books.** The bill permits a board of county commissioners and county election officer to provide electronic poll books (as certified by the Secretary) to be used at voting places or for advance voting.

**Electronic Voting Systems and Equipment.** The bill requires that any electronic voting system or optical scanning equipment approved by the Secretary must not have the capability of connecting to the internet or any other communications or computer network.

**Testing of Voting Equipment.** The bill requires testing of automatic tabulating equipment and optical scanning equipment within five business days after the completion of the canvass.

## EDUCATION

### High School Work-based Learning Programs

**House Sub. for SB 91** transfers the liability for certain claims arising from a secondary student engaged in a work-based learning program from the business hosting the program to the school where the secondary student attends.

### Computer Science and Career Technical Education

**Sub. for HB 2466** requires the Kansas State Department of Education to conduct a survey regarding career and technical education (CTE) courses currently offered in public high schools and to establish a CTE pilot program to target high school students with documented accommodations who are not enrolled in a gifted program.

### Omnibus Education Bill

**Senate Sub. for HB 2567** makes appropriations for the Kansas Department of Education (KSDE) for fiscal years 2022, 2023, and 2024.

[*Note:* This funding is included in the budget description on page 8.]

The bill also establishes the Every Child Can Read Act, which promotes third-grade literacy initiatives; authorizes school districts to allow students enrolled in grades 6 through 12 to earn course credits through alternative educational opportunities; and establishes a transfer system for nonresident students between unified school districts based upon the available capacity of each unified school district.

Among other provisions, the bill expands a tuition reimbursement program for spouses and dependents of first responders and active duty military service members and renames it the Kansas Hero's Scholarship Act.

## FINANCIAL INSTITUTIONS & INSURANCE

### PBM Licensure Act

**House Sub. for SB 28** requires licensure of pharmacy benefits managers (PBMs) with the Commissioner of Insurance and amends registration requirements of PBMs. The bill places new licensure, administrative, and enforcement criteria on PBMs and also amends provisions pertaining to maximum allowable cost (MAC) pricing and the appeals process.

The bill requires PBMs to create a reasonable appeal procedure to allow a pharmacy or its contracting agent to challenge MAC for a specific drug. On and after January 1, 2023, a person may not perform, act, or do business in Kansas as a PBM unless the person has a valid license issued by the Commissioner.

### Technology-enabled Fiduciary Financial Institutions

The 2022 Legislature passed two bills amending the TEFFI Act (Act) and one bill amending the Insurance Code.

**SB 337** amends pilot program criteria within the Act to clarify and retroactively codify the intended date of December 31, 2021, for the issuance of a full charter to the Beneficient Company.

**HB 2489** makes several amendments to the Act, pertaining to definitions, fingerprinting requirements, application fees, examinations, customer disclosures, and services and authorized activities. The bill also adds fiduciary financial institutions to the statutory list of mandatory reporters of elder abuse.

**HB 2547** amends and enacts law supplemental to the Captive Insurance Act to allow a TEFFI insurance company to operate as an authorized captive insurance company in Kansas.

## PANS and PANDAS Coverage and Reporting

**HB 2110** requires, for the next State Employee Health Plan (SEHP) coverage year (Plan Year 2023), the State Employees Health Care Commission to provide coverage for the diagnosis and prescribed treatment for pediatric acute-onset neuropsychiatric syndrome (PANS) and pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections (PANDAS).

The Health Care Commission must submit a report to the Legislature by March 1, 2024, concerning the impact of this coverage on the SEHP, including data on the utilization of coverage and a recommendation whether such coverage should continue.

## Changes to ABLE Savings Program

**HB 2490** amends law governing the Achieving a Better Life Experience (ABLE) Savings Program to make the program compliant with the federal tax code and related regulations by applying the code's definition of an eligible individual.

The bill further specifies that individuals with qualified ABLE accounts will obtain federal and state income tax benefits related to such accounts.

## Mortgage Business at Remote Locations

**HB 2568**, among other things, updates licensing requirements in the Kansas Mortgage Business Act to allow mortgage business to be conducted at a remote location if certain conditions are met regarding location; storage of records; written policies and procedures; information technology; security, encryption, and device management; protection of confidential information; and annual review and certification requirements.

## GAMING

### Sports Wagering

**House Sub. for Sub. for SB 84** authorizes sports wagering overseen by the Kansas Lottery for individuals 21 years of age and over.

The bill authorizes sports wagering through state-contracted casinos and at designated sports facilities in Wyandotte County that have contracted with a state-contracted casino. Casinos may accept wagers in-person and through mobile applications. Patrons utilizing a mobile application must be physically present in the state. Casinos will pay the State ten percent of sports wagering revenues after taxes, free plays, and prizes are paid.

The bill requires, upon request, the State to negotiate the creation or modification of gaming compacts between the State and federally recognized Indian tribes to authorize sports wagering to be conducted by such tribes.

Casinos are required to maintain certain records of all wagers placed, including personally identifiable information of the person placing the wager, but persons could opt-out of collection of such information for purposes other than placing a wager or being paid a prize. Patrons are able to self-exclude themselves from placing wagers.

The bill also provides additional funding to the Problem Gambling and Addictions Grant Fund, and amends the purpose of the fund to specify moneys must be used to fund, among other things, a helpline and treatment for pathological gambling and other addictive or co-occurring behavioral health disorders.

The bill creates the Attracting Professional Sports to Kansas Fund, which could be used to benefit a professional sports team through construction of a sports facility in

Kansas. The bill also creates the White Collar Crime Fund for investigation of criminal offenses involving wagers and financial or economic crime involving unauthorized gambling.

The bill authorizes wagering on historical horse races through up to 1,000 historical horse race machines approved by the Kansas Racing and Gaming Commission.

## HEALTH

### 988 Suicide Prevention Hotline

**House Sub. for SB 19** creates the Living, Investing in Values, an Ending Suicide (LIVES) Act and implements the established 988 Suicide Prevention and Mental Health Crisis Hotline (Hotline) in Kansas.

The bill requires the Kansas Department for Aging and Disability Services to designate a hotline center or network to provide crisis intervention services and care coordination to individuals accessing the Hotline 24 hours per day, 7 days per week.

The bill also requires an annual transfer of \$10.0 million from the State General Fund to a fund designated for the purposes of the Hotline.

### Licensure and Scope of Practice

#### Pharmacists

**SB 200** expands a pharmacist's scope of practice to include point-of-care testing for and treatment of influenza, streptococcal pharyngitis, or urinary tract infection, within the framework of new statewide protocols adopted by the state Collaborative Drug Therapy Management Advisory Committee.

The bill also makes changes to information submitted, access and storage of data, and membership on the K-TRACS Advisory Committee in the Prescription Monitoring Program Act.

## Threading

**SB 348** exempts certain threading methods from the definition of cosmetology in law related to the licensure of cosmetologists and describes those items allowed and disallowed in the use of threading.

To be exempted from the practice of cosmetology, an individual engaged in threading is required to complete a self-test developed by the Secretary of Health and Environment and keep the related informational brochure and completed self-test at the location where the individual is threading.

## Occupational Therapists

**SB 440** authorizes occupational therapists (OTs) to evaluate and initiate occupational therapy treatment on a patient without referral from a health care practitioner. The bill also creates conditions under which an OT is required to obtain a referral from an appropriate health care practitioner to continue treating a patient.

As a condition of rendering professional occupational therapy services, the bill requires licensed OTs actively practicing in the state to maintain professional liability insurance coverage at a minimum level of coverage determined by the Kansas State Board of Healing Arts through rules and regulations.

## Certified Nurse Aide Training

**SB 453** clarifies that the first 40 hours of training in basic resident care skills required by the Secretary of Health and Environment (Secretary) for unlicensed employees working in adult care homes, who provide direct, individual care to residents, and who do not administer medication to residents, are part of an approved certified nurse aide (CNA) training course required by the Secretary.

Under the bill, such unlicensed employees who are not making progress toward completion of the CNA training required by the Secretary within four months following completion of the first 40 hours of CNA training are prohibited from providing direct, individual care to residents.

## Advanced Practice Registered Nurses

**Senate Sub. for HB 2279** amends provisions in the Kansas Nurse Practice Act governing the licensure of advanced practice registered nurses (APRNs) to, among other things, allow an APRN to prescribe drugs without a written protocol as authorized by a responsible physician, require an APRN to maintain malpractice insurance, and require national certification for initial licensure as an APRN.

## HOUSING

### Rural Housing and Child Day Care Services Tax Credits

**HB 2237** creates and amends law regarding rural housing and establishes a child day care services tax credit.

### Housing Investor Tax Credit and Affordable Housing Tax Credit.

The bill enacts the Kansas Housing Investor Tax Credit Act, authorizing the Director of the Kansas Housing Resources Corporation (KHRC) to issue tax credits to qualified investors who make cash investments in qualified housing projects in rural areas, as defined by the bill.

The bill also establishes the Kansas Affordable Housing Tax Credit Act, which provides income, privilege, and premium tax credits for qualified low-income housing projects.

### Older Structures Tax Credit and Rural Housing Incentive.

The bill creates the Historic Kansas Act, which modifies and establishes tax credits for commercial structures that are at least 50 years old

and not receiving the continuing Historic Structures Tax Credit.

The bill also amends the Kansas Rural Housing Incentive District Act to expand the use of funds to include residential renovation of buildings more than 25 years old in economically distressed urban areas.

### Rural Home Loan Guarantee and Appraisal Authority.

The bill enacts the Kansas Rural Home Loan Guarantee Act, authorizing the KHRC to enter into agreements with financial institutions to provide loan guarantees against risk of default for rural housing loans. Construction and renovation loans for single-family homes in rural counties are among the loan transactions eligible for a guarantee under the Act.

The bill also authorizes appraisers to exclude the sales comparison approach in rural county mortgage financing appraisals for unique properties without available comparable sales within 30 miles of the property.

### Child Day Care Services Tax Credit.

The bill allows any income or privilege taxpayer to claim the child day care services tax credit for 50 percent of expenditures paid to a child care organization beginning in tax year 2021.

## JUDICIARY

### Blindness and Parental Rights; Hearing Impairment

**SB 343** prohibits blindness from being a determinant factor for denial or restriction of legal custody, residency, or parenting time when it is determined to otherwise be in the best interest of a child. The bill also replaces statutory references to “hearing impairment” and similar terms with “heard of hearing,” “hearing loss,” or “deaf.”

## **Offender Registration Relief and Convictions**

**SB 366** creates a mechanism for certain drug offenders to seek relief from registration under the Kansas Offender Registration Act (KORA). The bill outlines requirements for the petition seeking relief including notification to any living victims of the offense requiring registration, and allows the court to require a risk assessment of the registrant. Other requirements for relief for the registrant include no felonies committed within five years of filing the petition, demonstrable rehabilitation, and no risk to public safety. Successful petitioners are removed from the KORA and the Kansas Bureau of Investigation (KBI) website and allowed to petition for expungement.

The bill also amends the definition of “sex offender” in the KORA to include adults convicted of breach of privacy for secretly and without consent, photographing, filming, or disseminating photos or videos of someone in a state of undress when they have a reasonable expectation of privacy. Those convicted of breach of privacy under the law must register under the KORA for 15 years.

### **Mail Theft**

**SB 408**, among other provisions, amends the definition of the crime of theft to make theft of mail with a value less than \$1,500 from three separate locations within a period of 72 hours a level 9 nonperson felony.

### **Sexual Assault and Abuse Evidence Collection**

**HB 2228** requires, before January 31, 2023, law enforcement agencies to adopt and implement policies to ensure the submission of sexual assault evidence kits to an accredited forensics laboratory within 30 business days of collection. The bill clarifies that any kits not released to a law enforcement agency must be sent to the KBI, and increases the period for

which such kits must be retained by the KBI from 5 years to 20 years.

### **Specialty Courts**

**Senate Sub. for HB 2361**, among other things, allows the chief judge of a judicial district to establish a specialty court program in accordance with rules adopted by the Kansas Supreme Court. “Specialty court” is defined as a district court program that uses therapeutic or problem-solving procedures to address underlying factors that may be contributing to a person’s involvement in the judicial system.

### **Driving Under the Influence**

**HB 2377** creates and amends law related to driving under the influence (DUI).

### **Ignition Interlock Devices (IIDs).**

The bill allows a person whose license is restricted to operating only a vehicle with an IID to request reinstatement of the person’s driver’s license, removes a 90-day waiting period after suspension of driving privileges to apply for the IID program, and adds a requirement that the person must have no more than two standard violations and no serious violation in the last 90 days prior to reinstatement.

### **Penalties for DUI and Commercial DUI.**

The bill removes a minimum imprisonment or public service hours requirement for a first conviction of DUI, reorganizes and clarifies minimum confinement requirements for a second conviction, and increases the penalties for a third conviction if the person has a prior conviction within the preceding 10 years and for a fourth or subsequent conviction of DUI to a severity level 6 nonperson felony and sets the minimum period of confinement as 30 days. Penalties and confinement periods for commercial DUI are similar.

**Commercial Driver’s Licenses.** The bill clarifies terms of lifetime disqualification from driving a commercial vehicle, and provides a review mechanism for

disqualifying incidents occurring prior to July 1, 2003. If found eligible for restoration, a person must complete the written and driving skills examinations before a commercial driver’s license (CDL) is issued.

**Diversions.** The bill specifies city and county or district attorneys may not enter into a diversion agreement on a traffic citation if the defendant was a CDL holder at the time of the violation or any subsequent time prior to being considered for diversion and prohibits a prosecuting attorney from taking an action that prevents a commercial learner’s permit or CDL holder’s conviction from appearing on the Commercial Driver’s License Information System.

### **Surveillance; Search Warrants; CINC Information Disclosure**

**Senate Sub. for HB 2495** creates and amends law related to law enforcement.

### **Surveillance by KDWP Employees.**

The bill prohibits Kansas Department of Wildlife and Parks (KDWP) employees who are authorized to enforce the laws of the State from conducting surveillance on private property unless the purpose of such surveillance is to locate and retrieve a missing person or otherwise authorized as specified by the bill.

### **Search Warrant Time Limitations.**

The bill extends the time period within which a search warrant must be executed after it is issued from 96 hours to 240 hours.

### **Disclosure of CINC Information to Law Enforcement Agencies.**

The bill requires the Secretary for Children and Families to disclose confidential agency records (including certain specified records) of a child alleged or adjudicated to be a child in need of care (CINC) to the law enforcement agency investigating the alleged or substantiated report or investigation of abuse or neglect, regardless of the disposition of such report or investigation.

## Witness Testimony; Competency Proceedings and Commitment

**HB 2508**, among other provisions, amends law in the Kansas Criminal Code concerning witness testimony at preliminary examinations and law concerning competency proceedings and commitment of certain persons.

The bill allows the defendant and the State to present witness testimony through a two-way electronic audio-video communication device at a preliminary examination.

The bill also allows a court to order an evaluation to be completed by an appropriate facility while the defendant is in jail, at any secure location, or on pretrial release, within certain time limitations. The bill requires an incompetent defendant to be ordered for evaluation and treatment by an appropriate facility, and a defendant who is sentenced for the crime charged at the time of commitment must be credited for all the time committed and confined.

## REDISTRICTING

### Congressional Districts; Ad Astra 2

**Sub. for SB 355**, map name Ad Astra 2, creates new districts from which Kansas' four members of the U.S. House of Representatives are elected; see map, below. [Note: On May 18, 2022, the Kansas Supreme Court reversed a decision from the Wyandotte County District Court that would have blocked elections from being held under the map.]

### State Legislative and State Board of Education Maps

**Sub. for SB 563** creates state legislative and State Board of Education maps. State House of Representatives districts are created under provisions from map Freestate 3F. State Senate districts are created under provisions from map Liberty 3. State Board of Education districts are created under provisions from map Apple 7 with each of the ten districts containing four senatorial districts established by the Liberty 3 map.

## SOCIAL SERVICES

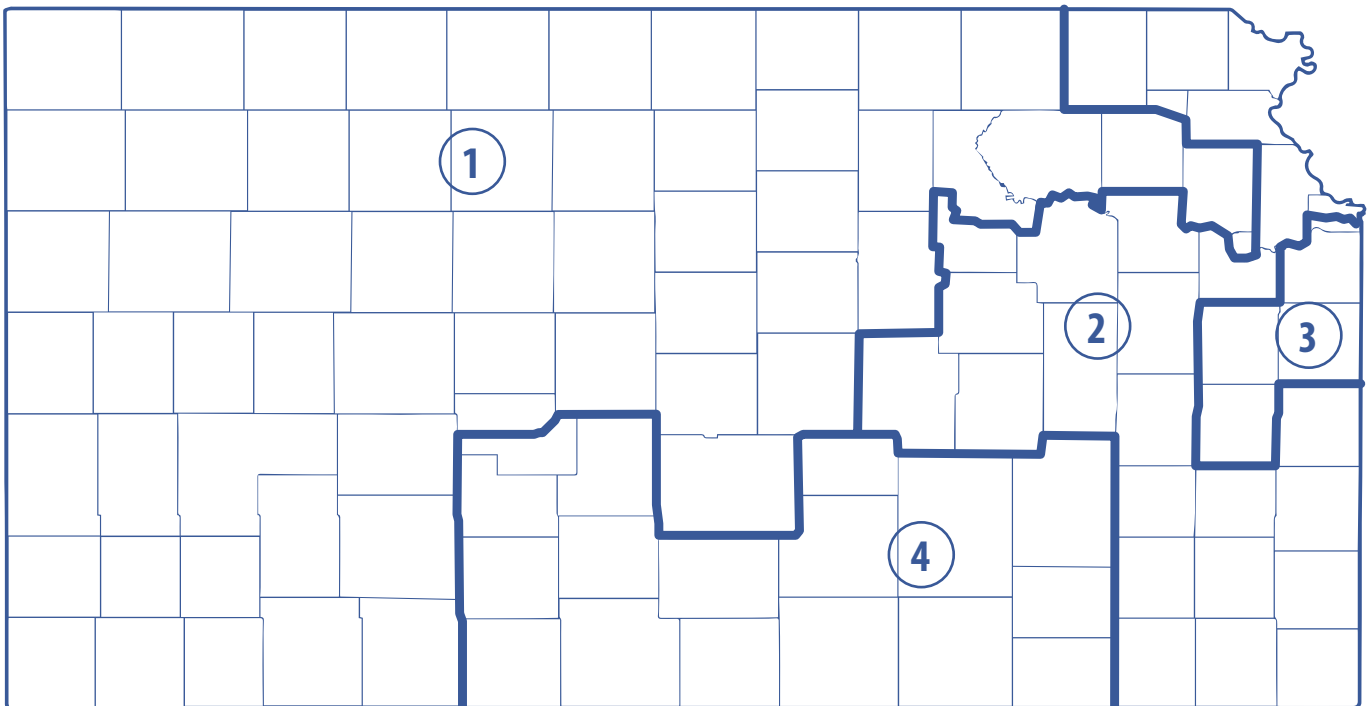
### Sign Language Interpreters and School Vision Screenings

**SB 62** authorizes the Kansas Commission for the Deaf and Hard of Hearing to establish a sign language interpreter registration process, and provide guidelines for communication access services, and adopt related rules and regulations. The bill also amends standards for free school-administered vision screenings and establishes the Kansas Children's Vision Health and School Readiness Commission.

### Food Assistance Work Requirements

**Senate Sub. for HB 2448** requires the Department for Children and Families to assign all able-bodied adults without dependents (ABAWDs) aged 18 through 49 who are not employed at least 30 hours per week and subject to federal food assistance work requirements to an employment and training program.

## Ad Astra 2 Congressional Districts



**State Budget**

**House Sub. for Sub. for SB 267** (Mega Bill), **HB 2510** (Omnibus Bill), and **Senate Sub. for HB 2567** (Education Budget Bill) include adjusted funding for fiscal year (FY) 2022 and funding for FY 2023 for all state agencies. SB 267 also includes various claims against the State.

**Included in the FY 2022 Budget:**

The FY 2022 revised budget totals \$22.4 billion, including \$8.5 billion from the State General Fund (SGF). The approved budget is an all funds increase of \$567.5 million, or 2.6 percent, and an SGF increase of \$1.2 billion, or 17.1 percent, above the FY 2021 actual expenditures. The approved budget includes full-time equivalent (FTE) positions totaling 41,355.1.

Major adjustments include:

**Human Services.** Deletes \$625.2 million and adds \$370.4 million SGF, for the human services function above the FY 2021 actuals.

*Caseloads.* Adds \$329.2 million, including \$140.3 million SGF for human services caseloads above the FY 2021 actual expenditures.

*Kansas Department of Labor.* Deletes \$1.7 billion mainly in state and federal unemployment assistance.

**Public Safety.** Adds \$167.6 million, including \$113.8 million SGF.

*Department of Corrections.* Adds \$21.1 million SGF to restore the Evidence Based Initiatives Program, and \$18.3 million in federal American Rescue Plan Act (ARPA) moneys for the 24/7 pay plan.

*Kansas Bureau of Investigation.* Adds \$41.5 million SGF for the early payoff

of bonds related to the Forensic Science Laboratory.

**General Government.** Deletes \$625.2 million and adds \$407.1 million SGF above the FY 2021 actuals. The majority of the reduction is in the Office of the Governor and the Department of Commerce for federal pandemic assistance.

*Department of Administration.* Adds \$332.2 million SGF for the early payoff of bonds.

*Judicial Branch.* Adds \$10.6 million, including \$27.5 million SGF, for previously approved salary adjustments and additional court service officer positions.

*Department of Commerce.* Adds \$20.0 million SGF for the Moderate Income Housing Program.

**Education.** Adds \$742.7 million, including \$275.1 million SGF, above the FY 2021 actuals.

*Regents and Universities.* Adds \$321.2 million, including \$80.4 million SGF, above the FY 2021 actuals. The all funds increase includes \$48.1 million in research, \$56.4 million in student financial assistance and student aid, \$162.2 million in operations, and \$26.0 million in capital improvements. The SGF increase includes restoration of the Governor’s 2020 allotment.

*Department of Education.* Adds \$418.4 million, including \$194.6 million SGF, above the FY 2021 actuals. The increase is attributable to federal pandemic assistance and previously approved increases in state aid and assistance.

**Transportation.** Adds \$280.2 million, all from special revenue funds, above the FY 2021 actuals. The increase is in new construction projects, partially offset by a reduction in federal funding.

**SGF Transfers.** Transfers \$750.0 million from the SGF to the Budget Stabilization Fund in FY 2022.

**Included in the FY 2023 Budget:**

The FY 2023 budget totals \$22.9 billion, including \$9.2 billion SGF. The budget is an all funds increase of \$542.7 million, or 2.4 percent, and an SGF increase of \$666.5 million, or 7.8 percent, above the FY 2022 approved budget. The FY 2023 approved budget includes 41,739.4 FTE positions.

Major adjustments include:

**Human Services.** Adds \$272.4 million, including \$438.7 million SGF, for the human services function for FY 2023.

*Caseloads.* Adds \$221.5 million, including \$61.3 million SGF, for human services caseloads.

*Kansas Department for Aging and Disability Services.* Major adjustments include:

- Adds \$122.2 million, including \$48.9 million SGF, to provide a 25.0 percent reimbursement rate increase in the home and community based services intellectual and developmental disability (I/DD) waiver; and
- Adds \$89.6 million, including \$27.3 million SGF, to provide for a full rebase of the nursing facility daily Medicaid rate for FY 2023.

*Kansas Department for Health and Environment.* Adds \$10.5 million, including \$4.2 million SGF, to extend postpartum Medicaid coverage to 12 months.

*Kansas Commission on Veteran’s Affairs.* Adds \$17.2 million SGF for updated debt service estimates on a new veterans’ home.

**Public Safety.** Deletes \$102.3 million, and adds \$4.8 million SGF for FY 2023. The reduction is driven by reduced



pandemic assistance funding and the one-time capital improvement expenditures.

*Adjutant General.* Adds \$18.1 million for Hays Armory.

**General Government.** Adds \$133.8 million, and deletes \$267.2 million SGF, for FY 2023. The reduction in SGF expenditures is predominantly attributable to one-time debt retirement expenditures in the Department of Administration in FY 2021.

*Office of the Governor.* Adds \$392.8 million, including \$19.9 million SGF;

- Adds \$75.0 million from federal ARPA funds for grants for the Board of Regents, requiring a 3:1 match;
- Adds \$50.0 million from federal ARPA funds for business closure rebates;
- Adds \$25.8 million, all from federal ARPA funds for State Universities, Community Colleges, and technical schools; and
- Adds \$35.6 million, including \$34.6 million from federal ARPA funds, for other housing and economic development projects.

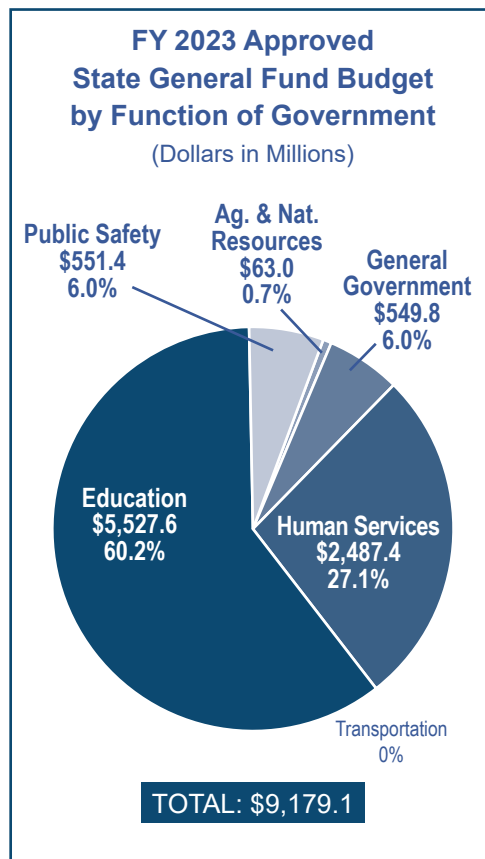
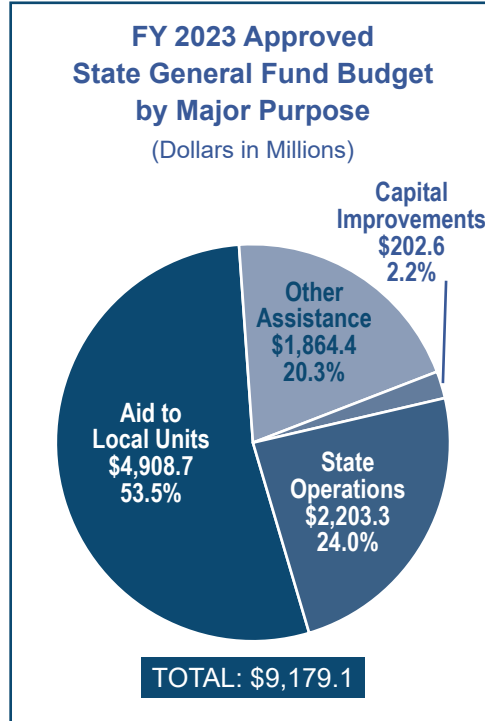
*Judicial Branch.* Adds \$12.2 million, including \$27.6 million SGF, to add 58.0 new judge and staff positions, enhance salaries, and swap the judicial branch surcharge and other fee revenue for SGF moneys, as authorized by HB 2541.

**Education.** Adds \$501.8 million, including \$473.2 million SGF, for FY 2023.

*Regents and Universities.* Deletes \$32.3 million, and adds \$117.2 million SGF including, \$72.7 million SGF in other financial aid and capital improvements assistance.

*Department of Education.* Adds \$536.4 million, including \$354.9 million SGF including:

- Adds \$199.6 million SGF to eliminate the delayed school payment; and
- Adds \$128.1 million, including \$107.7 million SGF, to reflect school finance increases.



**Agriculture.** Deletes \$121.7 million, including \$32.9 million SGF, for FY 2023. The reduction is mainly attributable to one-time expenditures in the Kansas Water Office for water reservoir debt and pandemic assistance in KDHE. The decreases are partially offset by the addition of \$14.6 million SGF for capital improvements for the Kansas State Fair.

**Transportation.** Deletes \$33.5 million, all from special revenue funds, for FY 2023. The reductions are predominantly attributable to a reduction in federal grants and other assistance.

**State Employee Pay.** Adds \$138.6 million, including \$49.9 million SGF, for a 5.0 percent salary adjustment for most state employees.

### Terminating the Securities Act Fee Fund Transfer to the State General Fund

**SB 392** amends and repeals provisions in the Kansas Uniform Securities Act that require a transfer of unencumbered funds in excess of \$50,000 to the State General Fund from the Securities Act Fee Fund of the Kansas Insurance Department on the last day of each fiscal year.

### State General Fund Transfer to KPERS Trust Fund

**SB 421** transfers \$1.125 billion from the State General Fund (SGF) directly to the Kansas Public Employees Retirement System (KPERS) Trust Fund. The first \$253.9 million SGF will pay off outstanding accounts receivable for KPERS-School employer contributions withheld in FY 2017 and FY 2019, and the remainder will be applied to the KPERS-School unfunded actuarial liability.

The funds transfer in two installments each in FY 2022 and FY 2023. The FY 2023 installments are subject to State Finance Council approval, but not modification.

**Review of Rules and Regulations**

**HB 2087** amends law related to the review of administrative rules and regulations.

**Economic Impact Statements.** The bill amends requirements for economic impact statements to require review of such statement by the Director of the Budget only if the total implementation costs are estimated to be more than \$1.0 million over two years through June 30, 2024, or more than \$3.0 million over two years on and after July 1, 2024. Such review must occur before a rule and regulation is approved for its public hearing and subsequent adoption.

**Agency Reporting.** The bill requires agencies report to the Joint Committee on Administrative Rules and Regulations a summary of the agency's review and evaluation of its adopted rules and regulations and a judgment of whether each is necessary or may be revoked.

The reports will be due by July 15 of the year specified for the agency in the bill and every fifth year thereafter.

**KanCare Contracts; Governor's  
Powers Under Kansas Emergency  
Management Act (KEMA)**

**HB 2387** prohibits any state agency, including the Governor, on or before January 31, 2023, from issuing a request for proposal or entering into any new contract with managed care organizations for the administration and provision of benefits under the medical assistance program (KanCare).

Except as prohibited by federal law, the bill requires the Secretary of Health and Environment to continue to administer medical assistance benefits using managed care entities.

The bill also removes the Governor's power or authority under KEMA or

any other law to prohibit attending or conducting any religious service or worship service in a church, synagogue, or place of worship.

**Municipal Limitations on Law Enforcement  
Cooperation; Municipal ID Cards**

**HB 2717**, among other provisions, prohibits municipalities from enacting, implementing, or enforcing ordinances, resolutions, rules, or policies that limit the ability of law enforcement officers, local officials, or local government employees from maintaining and exchanging information with federal officials regarding a person's citizenship or immigration status.

The bill prohibits municipalities from limiting or restricting the enforcement of federal immigration laws. The bill also prohibits the use of municipal identification cards to satisfy state proof of identity requirements, including voter identification.

The bill authorizes the Attorney General, county attorney, or district attorney to bring a court action to compel a municipality or person to comply with the bill's provisions.

 **TAXATION****Food Sales Tax**

**HB 2106** eliminates the state sales and compensating use tax on food and food ingredients by January 1, 2025, through a series of annual reductions. Beginning January 1, 2023, the rate will be reduced from 6.5 to 4.0 percent. The rate will be further reduced on January 1, 2024, to 2.0 percent. The rate will be reduced to 0.0 percent on January 1, 2025.

**Sales Tax Remittances and COVID-19  
Property Tax Refunds**

**HB 2136**, among other provisions, modifies sales tax remittance law and provides for property tax refunds for

certain businesses impacted by the COVID-19 pandemic.

**Sales Tax Remittances.** The bill eliminates a requirement that large retailers remit estimated sales tax amounts for the first half of the current month at the time of filing the return for the previous month.

**COVID-19 Retail Property Tax Refunds.** The bill provides for partial property tax refunds for qualifying businesses that were shut down or limited in capacity in 2020 or 2021 by state or local government orders in response to the COVID-19 pandemic.

Qualifying businesses must have had in-person operations limited by a state or local government order and have had less gross revenue in 2020 or 2021 than they did in 2019 and have received less than a total of \$150,000 in other COVID-19-related government aid.

Refund amounts, which are limited to \$5,000 per retail storefront, are determined based upon the property taxes paid and the length and extent of any shutdowns or restrictions. Refunds are to be paid using federal COVID-19 relief funds.

**Property, Income, and Sales Taxation**

**Senate Sub. for HB 2239** amends law concerning property, income, and sales taxation.

**Property Taxation.** Among other provisions, the bill increases the residential exemption from the 20 mill statewide school finance property tax levy from \$20,000 to \$40,000 and provides for formulaic increases to that amount in future years.

**Income Taxation.** Among other provisions, the bill enacts the SALT Parity Act, which allows certain business entities to pay income tax at the entity level, rather than requiring such business owners to pay the tax at the individual tax level.

The bill also enacts tax credits benefiting community and technical colleges, short-line railroads, aviation and aerospace employers and employees, and school teachers and expands the research and development tax credit.

The bill provides homestead property tax refund claims to be paid to certain homeowners based upon the amount of residential property tax owed in excess of the first year the homeowner was eligible to participate in the program.

The bill provides for 100-percent disabled veterans to receive an extra personal exemption allowance on their individual income tax returns.

**Sales Tax.** Among other provisions, the bill enacts provisions exempting agricultural fencing from sales tax and providing for refunds for agricultural fencing purchases made to replace fencing destroyed by natural disaster on or after January 1, 2021.

The bill also excludes shipping and handling charges from sales tax and repeals the sunset of the provision excluding motor vehicle manufacturer's rebates from sales tax.

**Estimated Tax Revenue Impact of Select 2022 Legislation**  
(Dollars in Millions)

Bill	All Funds		
	FY 2023	FY 2024	FY 2025
HB 2106	\$ (80.3)	(264.1)	(434.3)
HB 2136	(186.5)	-	-
HB 2239	(9.9)	(99.8)	(119.5)
<b>Total</b>	<b>\$ (276.7)</b>	<b>(363.9)</b>	<b>(553.8)</b>

*(Per Kansas Department of Revenue)*

 **TRANSPORTATION**

**Electric-assisted Bicycles**

**House Sub. for SB 101** amends the definition of and regulates the operations of electric-assisted bicycles (e-bikes). The bill defines class 1, class 2, and class 3 e-bikes as, among other things, having an electric motor of less than 750 watts, and requires manufacturer labels for each e-bike.

The bill states an e-bike rider has the rights, privileges, and responsibilities of a bicycle rider and other provisions applicable to bicycles apply. A municipality or an agency of the State with jurisdiction over a bicycle or multi-use path, trail, or trail network may restrict or prohibit operation of e-bikes or a specific class of e-bikes on those paths and trails.

**Autonomous Vehicles**

**SB 313** permits operation of driverless-capable vehicles without a human driver when the automated driving system is engaged under certain circumstances.

The bill permits such operation if the vehicle can safely stop if a malfunction occurs, the vehicle operates in compliance with traffic and motor vehicle safety laws, and a human driver is present for the first 12 months of service in Kansas.

The bill requires the owner of a driverless-capable vehicle to submit a law-enforcement interaction plan to the Kansas Highway Patrol before operating such a vehicle. The bill establishes requirements for insurance, as well as the responsibilities of involved parties if a crash occurs. The bill also authorizes the use of on-demand driverless-capable vehicle networks for the transportation of persons or goods.

The bill also establishes the Autonomous Vehicle Advisory Committee, which will submit yearly reports regarding use and regulation of autonomous vehicles.

**Driving to Religious Activities; Nondriver's Identification Cards**

**SB 446** authorizes driving to and from religious activities by a 15-year-old who holds a restricted class C or M driver's license to drive, between the hours of 6 a.m. and 9 p.m., directly to or from any religious activity being held by a religious organization.

The bill also authorizes 16-year-olds with restricted licenses to drive to or from religious activities, rather than only worship services.

The bill also requires the Secretary of Revenue to permit electronic online renewal of nondriver's identification cards under certain circumstances. The bill prohibits consecutive electronic renewals.

 **VETERANS & MILITARY**

**Kansas Gold Star Families Memorial**

**SB 330** requires the Capitol Preservation Committee to approve plans to place a permanent memorial honoring Kansas Gold Star families on the Statehouse grounds.

**License Plates**

**HB 2476**, among other things, adds specialized license plates for those who have been awarded either a Silver Star or a Bronze Star for military service. The plates will be available for passenger vehicles, starting in 2023.

The bill also amends provisions regarding license plates available to disabled veterans to authorize such license plates with and without the international symbol of access for people with physical disabilities.

The bill specifies that a veteran whose license plate has the international symbol of access will be permitted to use any parking space reserved for the use of persons with disability.

## 2022 Legislative Session At-A-Glance

### Bill Information

Senate bills carried over from the 2021 Session .....	252
Senate bills introduced in the 2022 Session .....	266
TOTAL Senate Bills .....	518
House bills carried over from the 2021 Session .....	349
House bills introduced in the 2022 Session .....	294
TOTAL House Bills .....	643

### Bills Considered in 2022 Session That Became Law:

House Bills.....	55
Senate Bills .....	45
Percentage of Bills that became law: .....	8.6
Days in Session .....	78

### Fiscal Information for FY 2022 (Dollars in Millions)

Estimated State General Fund Revenue	
Income Taxes	\$ 5,286.0
Excise Taxes	3,515.0
All Other	<u>1.9</u>
Total	\$ 8,802.9

Estimated State Budget	
State General Fund	\$ 8,512.6
All Other	<u>13,875.3</u>
Total	\$ 22,387.9

2021 Population Estimate	2,934,582
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### What's inside this edition of *Legislative Highlights*:

- Sports Betting, page 4
- Education Finance and Policy, pages 3 and 8
- Redistricting, page 7
- State Budget, page 8
- Food Sales Tax, page 10