



MEMORANDUM

To: Penny Postoak Ferguson, Johnson County Manager

From: John J. Federico, JD
Stephen P. Duerst, JD

Date: May 26, 2022

Re: 2022 Legislative Session Summary

Introduction

The Kansas Legislature officially concluded its 2022 Legislative Session on May 23, 2022. With business having returned to “normal” following the years of the COVID-19 pandemic, lawmakers were eager to tackle a number of issues ahead of the 2022 election cycle.

As a reminder, all 125 House seats will be up for reelection in 2022. Candidates for all statewide offices (Governor, Secretary of State, Attorney General, State Treasurer, and Insurance Commissioner) will be on the ballot, as well. Further, redistricting took place during the 2022 Session which will add another layer of intrigue to an already interesting political climate.

The 2022 Session was a “carryover” year in the Legislature, meaning all bills that did not pass in 2021 were alive in 2022. As a reminder, during the 2021 Legislative Session there were 808 bills and resolutions introduced. In 2022, 584 bills were introduced. As a result, during this biennium Session, our firm tracked 1,392 bills. **Of that, 483 bills were of significance for Johnson County alone, representing a stunning 34.6 percent of all legislation from 2021-2022.**

Action Agenda Priorities

The following section summarizes Legislative action related to the top 5 priorities included in the 2022 Johnson County Legislative Agenda, adopted on December 12, 2021 by the Board of County Commissioners.

- **Supports increased funding for mental health services and community mental health center (CMHC) grants.** The mega-budget, passed as [H Sub. for Sub. for SB 267](#), includes language that would require KDADS to enter into agreements with community mental health centers to establish rates for conducting mobile competency evaluations for FY2023. The Governor’s recommendation already included the funding for mobile competency expansion in an effort to reduce wait times for the state hospitals. Supplemental funding for CMHCs totaled \$53,884,328.

- **Supports Medicaid expansion in Kansas.** Medicaid expansion was a topic not heard in Committee this year. It was, however, mentioned several times by members of both parties in floor debates throughout the Session. Given the large number of Legislators and leadership who do not agree with Medicaid expansion, no significant attempt was made to bring a bill Above the Line in either the House or the Senate, nor was there any serious effort to amend language onto any bills being considered.
- **Supports legislation facilitating the collection of compensating use tax from purchases made from sellers with no physical presence in Kansas based on the U.S. Supreme Court decision in *South Dakota v. Wayfair*.** [SB 50](#) was a bundled bill that included the marketplace facilitator policy, as well as a number of other income tax deductions and exemptions. Beginning July 1, 2021, marketplace facilitators with annual gross receipts from sales sourced into Kansas and in excess of \$100,000 will be required to collect and remit state sales and compensating use tax. Additionally, marketplace facilitators will be required to collect and remit local transient guest taxes beginning January 1, 2022, and certain prepaid wireless 911 fees beginning April 1, 2022. SB 50 passed both chambers and was presented to the Governor on April 6. On April 16, just hours before the bill would have become law in the absence of her signature, Governor Kelly vetoed the measure. The Legislative Branch prevailed in their attempt to include Kansas in the 46 other states with such laws, and the Governor’s veto was overridden on May 3. It becomes law on July 1, 2021.
- **Supports expanding the eligibility of the Homestead Act and SAFESR – Kansas Property Tax Relief for Low Income Seniors; additionally, supports tying current program limits to federal poverty guidelines.** [S Sub. for HB 2239](#) was a comprehensive tax bill that contained many provisions related to property tax relief individuals, including low-income seniors. Specifically, the bill contains the following relevant sections:
 - Residential Property Tax Exemptions. The bill increases the amount of the residential exemption from the 20 mill uniform statewide school finance property tax levy from \$20,000 of valuation to \$40,000 of valuation beginning in tax year 2022 and provides for the amount to be increased in future tax years according to the average percentage change in statewide residential real property for the preceding 10 tax years.
 - Homestead Property Tax Refund Claims. The bill provides for refund claims to be paid to claimants for the amount by which the claimant’s residential property tax exceeds the amount of the claimant’s property tax in the claimant’s base year.

The bill defines “base year” to be the year in which the claimant becomes eligible for a refund under the provisions, or 2021, whichever is later. If a claimant becomes ineligible for a refund, the claimant would continue to use the original base year if the claimant later is again eligible for a refund.

A claimant must be at least 65 years old or a disabled veteran, reside in a homestead with an appraised value of \$350,000 or less for the entire year, and have a household income of \$50,000 or less. The \$50,000 amount is to be annually adjusted by the cost-of-living adjustment in Section 1(f)(3) of the Internal Revenue Code. Surviving spouses of eligible claimants continue to be eligible unless they remarry. The \$350,000 limitation only applies to the claimant’s base year. Claimants for refunds are prohibited from requesting

refunds under the existing Homestead Property Tax Refund or Selective Assistance for Effective Senior Relief Credit programs.

S Sub. for HB 2239 was passed on a vote of [39-0](#) in the Senate and [103-10](#) in the House. The bill was approved by the Governor on April 14, 2022, and will become effective on July 1, 2022.

- **Supports dedicated funding of a comprehensive transportation plan including highways, airports, trails and transit.** The Eisenhower Legacy Transportation Project (IKE) was signed into [law](#) on April 2, 2020. KDOT has lauded the program’s early success, noting that due to federal funds some projects are breaking ground ahead of schedule. The new plan creates a three-year transportation outlook, opposed to previous plans that ambitiously set a full 10-year agenda. [HB 2201](#) was a ‘trailer bill’ for the IKE Plan. It provided clarity on the use of federal funds to complete existing K-Works projects and allow the early letting of funded IKE projects. The Bill also decreased the alternative delivery threshold from \$100 million to \$10 million. Proponents of the change testify this would simplify the contract process.

Further, on April 20, 2022, Governor Kelly signed the Mega Budget – [SB 267](#) – which effectively ended transfers from the State Highway Fund to the State General Fund. This was part of the original IKE Plan, which relied on the State Highway Fund that it would not require any kind of tax or fee increase.

Current projects can be viewed through an interactive [portal](#) on KDOT’s website.

Core Principles

The following section summarizes topic areas related to the core principles identified in the 2022 State Legislative Platform document, adopted on December 12, 2022, by the Board of County Commissioners (*If a particular item included in that document is not included in the points below, it was not the subject of any passed legislation during the 2022 Legislative Session or was already mentioned above*).

- **Retain and Enhance County Home Rule Authority, Maintain Local Decision Making and Oppose Unfunded Mandates.**
 - *Supports continuing the ability for citizens and elected officials of each jurisdiction to determine if county elections are held on a nonpartisan or partisan basis and retain the ability of vacancies in nonpartisan elected positions being filled through nonpartisan means.*
 - Although not directly related to the question of a partisan versus non-partisan elections or appointments, [HCR 5022](#) did pertain to question of the election of county officials – in this case, the sheriff. As it is a Constitutional Amendment, HCR 5022 required a two-thirds majority vote in both the House and Senate and will now be placed on the November 2020 General Election ballot. The Constitutional Amendment would require the election of a county sheriff in counties that had not abolished the office before January 11, 2022, and states that a sheriff be elected for a term of four years. The amendment would also specify that a county sheriff only may be involuntarily removed from office by a recall election pursuant to Article 4, Section 3 of the Kansas Constitution, or a writ of quo warranto initiated by the Attorney General.

The Senate voted in favor of the Resolution [39-1](#) and the House approved the measure [91-31](#). Because it is a Constitutional Amendment, no signature by the

Governor is required. Approval of the Amendment now rests with the people of the state of Kansas.

○ *Other Local Control Issues of Note*

- [SB 161](#) would create new provisions to regulate “personal delivery devices” that have increasingly been used by companies such as FedEx and Amazon. The devices must operate lawfully in the right-of-way, as defined in the bill. Amendments were made in the House committee to increase the weight of the devices, reduce liability coverage from \$1 million to \$500,000 per device, and would require local units of government to provide a public hearing before enacting ordinances or resolutions to restrict the devices.

The bill passed the House [75-47](#) and the Senate [22-17](#). However, it was vetoed by the Governor who cited issues with the minimum liability, as well as unclear provisions regarding enforcement of rules and regulations. The Legislature did not attempt to override the veto.

- [Sub for SB 34](#) would enact several provisions pertaining to face mask requirements, vaccination passports, and inoculations for schools. The bill is largely in response to Government action taken during the COVID-19 pandemic, but broadly applies to Government response as it relates to containing contagious or infectious disease. Provisions include the following:
 - *Face Mask Requirements.* Notwithstanding any law to the contrary, the bill would prohibit any governmental entity or public official from ordering or otherwise requiring a person to wear a face mask as a response to a contagious or infectious disease, however such entity or official may recommend the wearing of face masks under the bill. Hospitals and adult care homes, as defined in statute, would be exempt from the provisions.
 - *Vaccination Passport Requirements.* The bill would also prevent a governmental entity or official from issuing or requiring COVID-19 passports for any purpose and denying access to any individual based on COVID-19 vaccination status.
 - *Public Health Officers.* The bill would clarify that the power of local health officers under the public health statutes would not include the power to order a person to wear a face mask. The bill would also amend the judicial review process for actions filed by aggrieved parties against local boards of health in the same manner as elsewhere in the bill.
 - *Student Health Statute Amendments.* The bill would amend law related to certifications for required tests and immunizations for first-time enrollment at schools and preschool or day care programs operated by a school to specify the Secretary would be prohibited from deeming a test or inoculation necessary if it has not received full approval by the federal Food and Drug Administration (FDA) for the age of the student to whom the requirement applies.

Sub for SB 34 passed the House by a vote of [64-53](#) and the Senate [23-17](#). Governor Kelly vetoed the legislation, and the Senate did not attempt a veto override, sustaining the veto.

- [SB 2](#) contained several provisions related to alcohol laws. The bill passed [31-6](#) in the Senate and [86-31](#) in the House. It was approved by the Governor on April 18, 2022. Specifically, as it pertains to Johnson County and Local Control, the following provisions were included:
 - *Temporary Permit for Sale of Alcoholic Liquor.* The bill prohibits a city, county, or township from charging more than \$25 for a temporary permit for the selling and serving of alcoholic liquor for each permitted day, and such permit fee will be nonrefundable.

The bill also expands the maximum number of temporary permits an applicant could be issued in a calendar year from 4 to 12 and require all liquor drink taxes due from a previous temporary permit to be paid before an applicant could be approved for another temporary permit.

- *Farm Wineries – Issuance of CMB License.* The bill requires the board of county commissioners, the governing body of the city, or the Kansas Division of Alcoholic Beverage Control (ABC) Director to issue a Cereal Malt Beverage (CMB) retailer’s license to licensees who have already been issued a farm winery license and satisfy the requirements for such CMB retailer’s license. Licensing authorities will not be able to deny a CMB retailer’s license on the basis of zoning or other regulations or any city or county resolutions or ordinances.

The bill also eliminates a provision requiring a recipient of a CMB retailer’s license to be of good character and reputation in the community in which the person resides.

The bill also amends related liquor licensing statutes to conform with the issuing requirement for farm wineries.

- **Maintain Financial Stability and Enhance Processes for County Government Services**

- Infrastructure

- *Broadband.* The IKE Transportation plan has provided a steady stream of funds to the Kansas Office of Broadband Development, which is housed within the Kansas Department of Commerce. Specifically, the law requires the Director of Accounts and Reports to transfer \$5.0 million from the SHF to the Broadband Infrastructure Construction Grant Fund on July 1, 2020, 2021, and 2022. On July 1, 2023, and each July 1 thereafter, through July 1, 2030, the bill requires the transfer to be \$10.0 million. These funds have been allocated and distributed through the Broadband Acceleration Grant Program (BAG).

Further, there have been recommendations made by the Strengthening People and Revitalizing Kansas (SPARK) Connectivity Advisory Panel to the SPARK Executive Committee to invest a minimum of \$150 million and a target of \$275

million of American Rescue Plan (ARPA) stimulus dollars for the purpose of broadband infrastructure (connecting more homes with faster access) and adoption (providing students and low-income individuals with affordable internet). The recommendation also stated that the Office of Broadband Development should distribute these funds through its office and the current BAG program. At the time of this writing, the Executive Committee has yet to make its final recommendations.

○ Appraisals / Tax Reform

- *Comprehensive Tax Cleanup Bill / Revenue Neutral Rate Change.* [HB 2239](#) contained a number of tax policy and cleanup measures, including amendments to last year's comprehensive tax reform bill, [SB 13](#).

Provisions of note included Revenue Neutral Rate Changes. The bill would allow taxpayers owning property within a taxing subdivision, or their duly authorized representatives, to file complaints with the Board of Tax Appeals showing that a taxing subdivision did not comply with the notice and hearing and budget adoption provisions of the revenue neutral rate law. If the Board of Tax Appeals finds the taxing subdivision did not comply with the revenue neutral rate requirements, it would be directed to order refunds of property taxes paid or a reduction of taxes levied for taxes collected or levied in excess of the amount generated by the revenue neutral rate.

The bill would require the revenue neutral notice to include the percentage by which the proposed property tax rate exceeds the revenue neutral rate. Additionally, it would require the vote approving a resolution or ordinance to exceed the revenue neutral rate to be a roll call vote.

- *Retail Storefront Property Tax Relief.* [HB 2136](#) contains policy provisions surrounding the COVID-19 Retail Storefront Property Tax Act. The measure would provide for claims for refunds to be paid for tax years 2020 and 2021 for certain claimants that were operationally shut down or restricted at their retail storefront by a COVID-19-related order or action imposed by the State, a local unit of government, or a local health officer.

The refund would be equal to 33 percent of the sum of the COVID-19 ordered shutdown days gross rebate amount and the COVID-19 ordered restricted operations days gross rebate amount, as those terms are defined by the bill. Refunds would be limited to \$5,000 per tax year per retail storefront. The Act would provide for refunds to be paid out of the American Rescue Plan-State Fiscal Relief-Federal Fund. \$50 million has been allocated in the Mega Budget bill ([SB 267](#), signed by the Governor on April 25, 2022) to cover the costs associated with the potential enactment of HB 2136 or similar provisions.

The policy is similar to 2021 [SB 273](#), which was vetoed by the Governor on May 21, 2021.

HB 2136 passed the House [120-1](#) and Senate [35-0](#) on May 23, 2022. The Bill awaits action from the Governor.

○ State Services Provided by the County

- *Supports the State fully funding its portion of the employer contributions at the Actuarial Required Contribution (ARC) levels and at the required times to the Kansas Public Employees Retirement System (KPERs). [SB 421](#) would transfer \$1.125 billion from the State General Fund (SGF) directly to the Kansas Public Employees Retirement System (KPERs) Trust Fund. Of that amount, the first \$253.9 million SGF would pay off outstanding accounts receivable for KPERs-School employer contributions withheld in FY 2017 and FY 2019 (“layering payments”) while the remaining \$871.1 million SGF would be applied to the KPERs-School unfunded actuarial liability.*

The bill would transfer \$853.9 million in FY 2022 in two installments—\$553.9 million on the effective date of the bill and \$300.0 million on June 1, 2022. The remaining \$271.1 million would be transferred in FY 2023 in two installments, both subject to approval, but not modification, from the State Finance Council—\$146.1 million on August 1, 2022, and \$125.0 million on December 1, 2022.

SB 421 passed the House [106-10](#) and the Senate [26-10](#). It was approved by the Governor on May 12.

- *Supports greater flexibility in the use of technology for motor vehicle or other state services, including new approaches to service delivery and appropriate funding at the local level. [Senate Sub. for HB 2380](#), referred to as the “Treasurer’s Bill” would increase a service fee paid by any applicant for vehicle registration or renewal and would apply the service fee to each applicant for vehicle title. The bill also would remove or reduce a number of other fees related to vehicle titling and registration and directed to the county treasurer and would eliminate the Division of Vehicles modernization surcharge on each vehicle registration.*

Specific information on the changes in the fees can be found [here](#). The original bill – HB 2567 - passed the House [114-6](#) but the contents were stripped from the bill, and it was used as a vehicle for another piece of legislation. HB 2380 passed out of Committee but did not receive a vote on the Senate Floor, despite significant effort by our firm and other parties involved.

○ Fiscal Impact

- *Supports legislation facilitating the collection of compensating use tax from purchases made from sellers with no physical presence in Kansas based on the U.S. Supreme Court decision in *South Dakota v. Wayfair*. See above.*
- *Supports stable revenue sources and urges the Kansas Legislature to avoid applying any further exemptions to the ad valorem property tax base, including exceptions for specific business entities or the state/local sales tax base, as well as industry-specific special tax treatment through exemptions or property*

classification. [S Sub for HB 2239](#), a comprehensive taxation bill, had several property and sales tax exemptions included. Those include the following:

- *Residential Property Tax Exemption.* The bill increases the amount of the residential exemption from the 20 mill uniform statewide school finance property tax levy from \$20,000 of valuation to \$40,000 of valuation beginning in tax year 2022 and provides for the amount to be increased in future tax years according to the average percentage change in statewide residential real property for the preceding 10 tax years.
- *Zoo and Agritourism Land Classification.* The bill provides that land utilized by zoos holding a class C exhibitor license issued by the U.S. Department of Agriculture and land devoted to the production of plants, animals or horticultural products that is incidentally used for agritourism activity, which is defined by the bill, is to be classified as land devoted to agricultural use for purposes of property taxation. We worked with House and Senate Committee leadership to ensure that this provision did not have an adverse impact on the county.
- *Grassland Conservation Reserve Program Land Classification.* The bill specifies that, beginning in tax year 2023, all land devoted to agricultural use that is subject to the federal Grassland Conservation Reserve Program shall be classified as grassland for property tax purposes.
- *Antique Utility Trailers.* The bill creates a property tax exemption beginning in tax year 2023 for antique utility trailers used exclusively for personal use and not for the production of income. The bill defines such trailers as 35 years old or older with an empty weight of 2,000 pounds or less and a gross weight of 8,000 pounds or less.
- *Disaster-destroyed Property Tax Abatements.* The bill broadens the authority of county commissions to abate property taxes for all buildings and agricultural improvements listed as real property. County commissions have the option to abate taxes in situations where such property has been damaged in a gubernatorial-declared disaster and restoration costs equal or exceed 50 percent of pre-damage market value. An application for an abatement is required to be filed by December 20 of the year after the natural disaster.

Continuing law provides for comparable authority for residential homestead properties.

These provisions of the bill are retroactive to tax year 2019. For natural disasters occurring in 2019 or 2020, applications are permitted until December 20, 2022.

The bill also permits county commissions to consider any budgetary restraints of the county or taxing subdivision in evaluating applications for such abatements. Current law limits the consideration to budgetary restraints arising from the event or occurrence declared a disaster by the Governor.

- *Telecommunications Equipment Inventory and Work-in-Progress.* The bill defines telecommunications machinery and equipment to include machinery and equipment placed in inventory or work-in-progress for purposes of the telecommunications machinery and equipment property tax exemption.
- *Agricultural Fencing Sales Tax Exemption.* The bill creates a sales tax exemption for purchases necessary to reconstruct, repair, or replace a fence used to enclose agricultural land that was damaged or destroyed by wildfire, flood, tornado, or other natural disaster occurring on or after January 1, 2021.

To be eligible for the exemption, the property containing the fence must be located within an area declared to be a disaster by the federal, state, or local government and the purchases must be made within two years of the date of the applicable disaster declaration.

For applicable purchases already made, taxpayers are entitled to a refund of sales tax upon provision of appropriate documentation.

Beginning July 1, 2022, the bill exempts from sales tax all sales of tangible personal property and services necessary to construct, reconstruct, repair, or replace any fence used to enclose agricultural land.

- *Motor Vehicle Rebates Sales Tax Exclusion Sunset Repeal.* The bill repeals the June 30, 2024, sunset for an exclusion from sales tax of cash rebates granted by manufacturers to purchasers or lessees of new motor vehicles if such rebates are paid directly to retailers.

As previously mentioned, S Sub for HB 2239 passed the House [39-0](#) and the Senate [103-10](#) and was signed into law by the Governor on Thursday, April 14.

- *Supports the preservation and funding of local government revenues which pass through the State's treasury, including Local Ad Valorem Property Tax Reduction (LAVTR), County City Revenue Sharing (CCRS), alcoholic liquor tax funds and the local portion of motor fuel tax to local governments.*
 - [S Sub for HB 2239](#) contained provisions regarding Countywide Retail Sales Tax Ballot Proposition Language. The bill requires the ballot proposition for any countywide sales tax to include information indicating whether the revenue from the sales tax would be subject to the statutory apportionment formula, whether the county would retain the entirety of the revenue pursuant to statute, or whether an interlocal agreement is entered into specifying the retention of the amount of revenue by the county.

As previously mentioned, this provision was passed and signed into law.

- [S Sub for HB 2136](#) contained a provision pertaining to an issue in Atchison County that had the potential to impact cities and counties statewide.

The specific fix for Atchison County was contained in this bill and there were negotiations in place to pull it out and pass it with other legislation. Of note, the language would require the termination of the countywide sales tax in Atchison County for joint law enforcement communications and solid waste disposal enacted pursuant to an election held on August 3, 1993, by June 30, 2024. Sub. HB 2136 was considered on May 23, 2022. It passed [120-1](#) in the House and [35-0](#) in the Senate.

- [HB 2106](#), which provides for the gradual elimination of the sales tax on food, would not impact local sales tax rates on food. The bill would, however, change the percentage of sales tax revenue distribution to provide the State Highway Fund with 17 percent of sales and use tax receipts beginning January 1, 2023, and 18 percent of sales and use tax receipts beginning January 1, 2024. The bill passed the House [114-3](#) and the Senate [39-0](#). Governor Kelly signed the Bill on May 11.
- *Supports the state’s thoughtful consideration of reductions in sales tax on food and pharmaceuticals, while balancing the impact on, and obligations of, counties and local units of government across the state.*
 - After years of debate, lawmakers came together and took action on reducing Kansas’ statewide sales tax on food. The tax, which is one of the highest in the nation (6.5%), will now be gradually reduced under the provisions of [HB 2106](#).

Beginning January 1, 2023, the bill would reduce the state sales and compensating use tax rate on food and food ingredients from 6.5 percent to 4.0 percent. The rate would be further reduced to 2.0 percent on January 1, 2024, and to 0.0 percent on January 1, 2025.

As previously mentioned, the measure specifies that sales of food and food ingredients would still be subject to sales taxes imposed by cities and counties. The bill would change the percentage of sales tax revenue distribution to provide the State Highway Fund with 17 percent of sales and use tax receipts beginning January 1, 2023, and 18 percent of sales and use tax receipts beginning January 1, 2024. It would sunset the food sales tax credit at the end of tax year 2024.

“Food and food ingredients” would be defined to include bottled water, candy, dietary supplements, soft drinks, and food sold through vending machines and to exclude alcoholic beverages, tobacco, and most prepared foods.

As mentioned above, the measure received near unanimous support, with the Senate voting [39-0](#) and the House voting [114-3](#). HB 2106 was signed into law by Governor Kelly on May 11.

- [HB 2721](#) would provide a sales tax exemption for over-the-counter drugs, which would be defined as a drug containing a label with a drug facts

panel or statement of the drug's active ingredients and a list of those ingredients. Over-the-counter drugs would not include grooming and hygiene products such as soaps, cleaning solutions, shampoo, toothpaste, antiperspirants, sun tan lotions, or sunscreens.

The bill passed out of the House Taxation Committee, but no further action was taken.

- *Supports Statewide Economic Development.* Three primary bills were passed this Session that pertain to economic development. They are as follows:
 - [House Sub. for SB 347](#) enacts the Attracting Powerful Economic Expansion (APEX) Act. The Act establishes new economic development incentives targeted at specific industries to firms that agree to invest at least \$1 billion within the State of Kansas and at their suppliers. Specifics regarding the bill can be found by viewing the official Bill Summary.

The legislation was passed in anticipation of a massive to-be-announced investment made by a still to-be-announced company and would be limited to said project.

The formal economic development announcement has not yet been made, but the bill did pass the House [80-41](#) and the Senate [31-9](#). The Governor signed the bill on February 10, 2022.

- [HB 2237](#) would create several acts and amend law pertaining to economic development to address rural housing, home loans, historic structures, appraisals of property in rural counties, urban development, and child day care services. Chiefly, the bill would:
 - *Establish the Kansas Housing Investor Tax Credit (HITCA).* the purpose of HITCA is to bring housing investment dollars to communities lacking adequate housing, and that development of housing will complement economic development of rural and urban areas. The purpose of tax credits issued under HITCA is to facilitate investment in suitable housing that will support the growth of communities lacking housing by attracting new employees, residents, and families, and will support the development and expansion of businesses that are job and wealth creating enterprises.

Up to \$13 million a year in tax credits will be distributed in the following way:

- Up to \$35,000 per residential unit for qualified housing projects located in a county with a population of not more than 8,000.
- Up to \$32,000 per residential unit for qualified housing projects located in a county with a population of more than 8,000, but not more than 25,000.

- Up to \$30,000 per residential unit for qualified housing projects located in a county with a population of more than 25,000, but not more than 75,000.
- *Establish the Kansas Affordable Housing Tax Credit Act (AHTCA).* The bill would establish the Kansas Affordable Housing Tax Credit Act. “Qualified developments” would be defined to mean a qualified low-income housing project as defined in Section 42 of the federal IRC that is located in Kansas and determined by KHRC to be eligible for a federal tax credit. The credit could be claimed against a variety of tax liabilities.
- *Establish the Historic Kansas Act.* For all taxable years after December 31, 2021, a tax credit against a tax liability imposed upon a taxpayer by the Kansas Income Tax Act, the financial institutions privilege tax, or the premium tax, of 10 percent of costs and expenses incurred for the restoration and preservation of a commercial structure at least 50 years old that does not receive the continuing Historic Structures Tax Credit (KSA 79-32,211). This tax credit for costs and expenses would be limited to \$10 million annually. An additional 10 percent tax credit of costs and expenses would be allowed for the installation of fire suppression materials or equipment by a taxpayer. The total amount of costs and expenses must equal at least \$25,000, but not exceed \$500,000.

The bill would also amend the Historic Preservation Tax Credit.

HB 2237 passed [34-3](#) in the Senate and [109-12](#) in the House. It was signed into law by the Governor.

- As a part of a larger expanded gaming package, [SB 84](#) would create the Attracting Professional Sports to Kansas Fund, which would be administered by the Secretary of Commerce. On July 1, 2023, 80 percent of remaining monies raised from authorized sports wagering would be placed into the fund. The unstated purpose was to try and attract the Kansas City Chiefs, or another major league team, to the Kansas City Metro area by helping to finance relocation or establishment costs, although the bill does not place a limitation on where a team could be located.

The House passed the bill [73-49](#) and the Senate voted to adopt the measure [21-13](#). Governor Kelly signed the Bill into law on May 12.

- *Supports legislation to ensure that 911 services across the state of Kansas remain high quality, appropriately funded and all counties are operating in the most efficient manner possible that may include consolidation or co-location opportunities.* Part and parcel of the state’s 911 system is the newly mandated 988 suicide prevention hotline. Lawmakers have allocated funds to start the

service, and on May 23rd the Legislature passed [SB19](#), which once approved by the Governor, would address the objectives below:

- Designate a Hotline center or network of centers to provide crisis intervention services and care coordination to individuals accessing the Hotline 24 hours per day, 7 days per week.
 - Create a system for information sharing and communication between crisis and emergency response systems and Hotline centers for the purpose of real-time crisis care coordination including, but not limited to, deployment of crisis and outgoing services specific to a crisis response of 911 emergency responders when necessary.
 - Convene mobile crisis teams.
 - Develop guidelines for deploying services, including mobile crisis teams, coordinating access to crisis stabilization services or other local resources as appropriate, and providing referrals and follow-ups.
- *Supports the State investing in their information technology stems to enable effective data sharing between departments and with their community partners, the ability to extract data for decision making and the effective and efficient service to those receiving services.*
- While no specific legislation was passed this year, there was a Statewide Cybersecurity Task Force convened and recommendations issued – many of which included increased communication, coordination and sharing of resources between the state government and local units and subdivisions. The full interim report can be viewed [here](#).
 - [HB 2676](#) would authorize counties to create a Code Inspection and Enforcement Fund and expand an existing County Equipment Reserve Fund to include purchases of technology and technology services. The bill would allow the board of county commissioners of any county to establish a Code Inspection and Enforcement Fund for the purposes of financing operations, equipment, and capital needs for a county’s department charged with code inspection and enforcement. Such expenditures could include, but not be limited to, building, construction, land, water and gas application, inspection, testing, and permitting. HB 2676 passed the House [112 – 11](#) but was not taken up in the Senate.
- Environment
- *Supports the state’s efforts to develop and implement cost-effective, scientifically based environmental plans and provide local governments flexibility and resources to meet their environmental goals. [SB 493](#) would have prohibited municipalities (cities, counties or unified governments) from adopting or enforcing ordinances that regulates “auxiliary containers” such as bags, cups, or bottles that are made out of a variety of materials, including plastics.*

Municipalities were expressly allowed to operate composting, recycling, and solid waste disposal programs, and regulate the use of containers on property owned or maintained by a municipality.

The bill expressly exempts the following activities from the prohibition:

- Passing or enforcing a general sales and use tax.
- Restricting use of glass containers within the municipality for reasons of public safety.
- Prohibiting littering.
- Setting reasonable standards for the regulation of alcohol possession.

The Governor vetoed this bill over local control concerns. The Senate voted to override the veto on a vote of [27-12](#). The House did not make a motion to reconsider the veto, allowing the veto to be sustained.

- *Supports fully funding the State Water Plan.* Sub. for [HB 2686](#) was a comprehensive water plan bill that received considerable attention during this Session. The measure would amend the Kansas Groundwater Management District Act to require groundwater management districts to provide certain reports to the Legislature. The bill would also distribute a portion of retailers' sales tax and compensating use tax revenue to the State Water Plan Fund each year. The bill would require the State Treasurer to credit 1.538 percent of revenue collected and received from the retailers' sales tax at the rate of 6.5 percent to be deposited into the State Water Plan Fund beginning on July 1, 2022.

The contents of the bill were highly debated. The bill eventually passed out of The House Water Committee after being significantly altered from the introduced version. It was not, however, brought up before the full House of Representatives for a vote.

○ Elections

Two comprehensive Bills were passed regarding election security and ballot reforms, which touched on County platforms related to the operation of elections. They were as follows:

- [Senate Sub. for HB 2138](#) would amend and create law pertaining to elections and voting, including voter registration, election audits, distinctive watermarks on paper ballots, electronic or electromechanical voting systems, electronic poll books, an affidavit system for transferring ballots, duties of the Secretary of State, electronic poll book fraud, exemptions from election crimes for poll workers, and providing electronic election results. Major provisions include the following:
 - *Affidavit System.* The measure requires the Secretary of State and county election officers, to develop a system that would require any person who handles a ballot to sign an affidavit listing:
 - The number of blank ballots.
 - The number of spoiled ballots.
 - The number of provisions ballots.
 - The number of counted ballots.
 - The number of advanced ballots in envelopes.
 - The name of the person to whom the ballots were delivered and where the ballots were delivered.

- *Biannual Elections Audit.* The bill would require an election audit to occur in the calendar year following the General Election. Four counties must be selected, at random, and must fit the following parameters:
 - One county would have a voting-age population of more than 90,000.
 - One county would have a voting-age population between 90,000 and 20,000.
 - Two counties would have a voting-age population of less than 20,000.
- *Ballot Requirements & Watermarks.* All voting systems in Kansas must now use a paper ballot with a distinctive watermark, as determined by the Secretary of State. The ballot must be able to be subject to inspection and canvassed by hand or by vote-tabulating equipment. Additionally, the bill would prohibit a voting system from preserving paper ballots in a manner that would associate a voter with the record of their vote without the voter's consent. Finally, the bill would require the paper ballot to be preserved and constitute the official ballot for audit and recount purposes.

The bill would require each paper ballot be counted by hand in a recount unless the recount requestor elects not to have the ballots counted by hand. In the event of any inconsistencies in vote tallies, the vote tallies of the paper ballots counted by hand would be the true and correct record of votes cast.

- *Confirmation Notices.* A county election officer may begin the process to remove a registered voter from the registration list if that individual had "no election-related activity" for any four-calendar-year period and the confirmation notice is returned as undeliverable. No election-related activity is defined to mean someone has not voted, attempted to vote, requested or submitted an advance ballot application, filed an updated voter registration card, signed a petition required by law to be verified by the county election officer or the Secretary, or responded to any official election mailing transmitted by the county election office.
- *Audit of Elections Within One-Percent.* The bill would amend current law to require such an audit to be conducted in any even-numbered year federal, statewide, or state legislative race where the margin of victory is within one percent. The county election officer would be required to audit ten percent of all county precincts, with a minimum of one precinct, in the same manner as existing audit requirements. The precincts audited would be in addition to precincts audited under existing law.
- *Electronic Poll Books*
 - Definitions - The bill would define "electronic poll book" as a list of registered voters for a particular precinct or polling location that may be transported to a polling location and on which each voter may sign their signature.
 - Board of County Commissioners and County Election Officer Provisions - The bill would permit a Board of County Commissioners and county election officer to provide electronic

poll books to be used at voting places, or for advance voting, at national, state, county, township, city, and school primary and general elections and in question submitted elections. Such board and officer would be permitted to issue bonds to finance and pay for the purchase, lease, or rental of such electronic poll books. Such Board and officer would be permitted to adopt, experiment with, or abandon any electronic poll book authorized for use in the state. If the Secretary of State rescinds approval of any electronic poll book, the board and officer would be required to abandon such electronic poll book until changes required by the Secretary are made; if such changes cannot be made, the abandonment would be permanent.

- Poll Book Purchases - The bill would prohibit, beginning July 1, 2022, the board and officer from purchasing, leasing, or renting any electronic poll book, unless such poll book has been certified by the Secretary of State. The bill would permit any person, firm, or corporation that desires to sell electronic poll books to political subdivisions in the state to request in writing for the Secretary of State to examine such poll books for \$250.
- *Electronic Polling Systems.* The bill would require that any electronic or electromagnetic voting system approved by the Secretary of State shall not have the capability, or any component thereof shall not have the capability of, connecting to the internet or any other communications or computer network. The bill would specify such networks include, but are not limited to, a local area network, wireless network, cellular network or satellite network, or the use of Bluetooth or any other wireless communications technology.
- *Testing of Vote Tabulation Equipment.* Current law requires officers to have testing conducted of automatic tabulating equipment within five days prior to the date of an election. The bill would require public notice of such test to be published on the county website, if the county has a website.
- *Optical Scanning Equipment.* Current law requires officers to have testing conducted of automatic tabulating equipment within five days prior to the date of an election. The bill would require public notice of such test to be published on the county website, if the county has a website. The bill would prohibit any optical scanning equipment and systems using optical scanning equipment approved by the Secretary of State from having the capability of, or any component having the capability of, being connected to the internet or any other communications or computer network, including a local area network, wireless network, cellular network, satellite network, or using Bluetooth or any other wireless communications technology.

S Sub for HB 2138 was approved by the Senate by a vote of [28-8](#) and the House by a vote of [82-40](#). The Bill was signed by the Governor on May 10.

- [S Sub for HB 2252](#) would clarify that the Governor, the Secretary of State, and any other officer in the Executive branch could not enter into a consent decree or other agreement with any state or federal court or other party regarding the enforcement of election law or the alteration of any election procedure without specific approval by the Legislature.

Sub for HB 2252 passed [27-12](#) in the Senate and [84-38](#) in the House. Governor Kelly vetoed the Legislation, but in the May 23rd Veto Session the Legislature successfully overrode the Governor’s Veto by a vote of [27-10](#) in the Senate and [84-37](#) in the House, overriding the Veto.

- Enhance Processes

- *Supports exempting surveys that do not collect personally identifiable information from the Student Data Privacy Act. [Sub for HB 2466](#), a bill that pertained predominantly to computer science courses and funding, contained provisions that would amend the Student Online Personal Protection Act. Specifically, the bill would also amend the statute to exclude national assessment providers that administer college and career readiness assessments from the definition of “operator.” The bill would permit a national assessment provider to administer a college and career readiness assessment questionnaire or survey to any student enrolled in grades K-12 without prior written permission from such student’s parent or guardian.*

HB2466 passed [109-10](#) and [29-6](#) and was signed by the Governor on May 9.

- *Supports the Legislature clarifying that any structure used for events or activities related to Agritourism will meet local jurisdiction public safety codes. See above as it relates to both Zoo and Agritourism Land Classification and Farm Wineries.*

- **Preserve and Enhance Health, Human Services and Public Safety**

- Healthcare

- *Supports Medicaid Expansion in Kansas. See above.*
- *Supports the re-evaluation and increase in Medicaid rates within the Serious Emotional Disturbance (SED) waiver and the Medicaid Mental Health Rehabilitation Codes to reflect the actual costs. While there was no specific legislation passed, the SED Waiver is among the HCBS Waiver programs which will benefit from additional funding from the temporary 10% FMAP increase associated with the Public Health Emergency.*
- *Supports and recommends adequate state psychiatric hospital funding, as well as restoring Osawatomie State Hospital (OSH) to a capacity of 206 beds and lifting the State imposed moratorium on admissions. On January 3, 2022, the moratorium on admissions at Osawatomie State Hospital was lifted, and the hospital has since admitted 10 voluntary patients. The Hospital is still undergoing efforts to recruit additional staff, including pay raises.*

Efforts to address the staffing issues were made through 24/7 base pay increases, as well as a \$1.4 million budget enhancement for an additional 36 full-time staff. The Omnibus budget included language making the release of the \$15.0 million from SGF for regional inpatient mental health bed expansion, contingent on an interim committee review and SFC approval.

- *Supports an enhancement of the State’s ombudsman program for individuals residing in long-term settings for themselves and their families.* No legislation related to the Office was advanced in the 2022 Session. State Ombudsman Kerrie Bacon presented at the April 20, 2022 meeting of the KanCare Oversight Committee, noting that the office expects an increase in complaints following the end of the Public Health Emergency. The Office announced an uptick in the number of volunteers.
- Senior Tax Relief
 - *Supports expanding the eligibility of the current Homestead Act and SAFESR programs – Kansas Property Tax Relief for Low Income Seniors to provide property tax relief for those on fixed incomes.* See above.
- Human Services
 - *Supports increased funding for mental health services and community mental health centers (CMHC) grants.* See above.
 - *Supports a strategy to fund the statewide Home and Community Based Services (HCBS) waiver program and its waiting list and evaluating and determine ways to improve the program for citizens with intellectual and developmental disabilities (I/DD) / Supports developing an approach to establish ongoing I/DD provider rate increases to address workforce shortages and challenges, as well as restoring cuts in state general funds to the I/DD system.* For the fifth year in a row, the I/DD waiver received a rate increase to help providers continue to do their critical work. Specifically, the Mega Budget bill contained language that will do the following:
 - Add \$122.2 million, including \$48.9 million SGF to provide a 25.0 percent reimbursement rate increase for providers of HCBS I/DD waiver services.
 - Add \$2.5 million, including \$1.5 million SGF, to increase the amount provided to community developmental disability organizations to fulfill their role in assessing individuals for the HCBS I/DD waiver.
 - *Supports the State fully funding all state-mandated human service programs at levels that reflect the actual cost of services, expanding funding for further establishments of public/private partnerships for psychiatric inpatient hospital beds, and the creation of regional Crisis Stabilization Units.* Included in language of [SB 19](#) requires the deployment of crisis services including mobile crisis teams, which are funded through the 988-suicide prevention and mental health crisis hotline fund established in the bill.
 - *Supports full funding of the Senior Care Act to meet the needs of the community.* A bill proposed by Johnson County [Representative Jo Ella Hoye](#) (D-Lenexa), [HB](#)

[2543](#), would amend the Senior Care Act by authorizing KDADS to establish a program for residents of Kansas younger than 60 years of age, who have been diagnosed with younger-onset Alzheimer's disease, that restricts the resident's ability to carry out activities of daily living and impedes the resident's ability to live independently. Currently, the Senior Care Act is limited in scope and does not provide these services.

The bill was introduced but was never heard in committee.

- *Supports the Expansion of behavioral health programs for adult and juvenile community corrections populations.* Several budget enhancements were made this Session to improve behavioral health programs, and the corrections system. Specifically, lawmakers did the following:
 - Added \$12.5 million, including \$5.0 million SGF, to provide a 4 percent reimbursement rate increase for Medicaid behavioral health services. This was included in the Mega Budget bill.
 - Added language to lapse up to \$6.7 million SGF for the Pathways for Success initiative, which provides technical education equipment at correctional facilities, if moneys from the federal ARPA Fund are available in FY 2022. This was also included in the Mega Budget bill.
 - Add \$841,113 SGF as aid to local community corrections agencies for the purpose of providing a 5 percent salary increase consistent with the statewide pay increase. This funding was included in the Omnibus Budget bill.