



## **Community Bankers Association of Kansas**

### **July Legislative & Policy Update**

**July 29, 2021**

#### **Overview**

As usual, the conclusion of the 2021 legislative session results in a lull before legislative activities pick up. Except for on-going COVID-related activities, little has taken place as August approaches. There has not yet been a large volume of interim committee meetings, but those will likely begin in the coming weeks now that the Legislative Coordinating Council has approved interim committees. Despite a slow start to the summer legislative activities, there have been several changes over the last few weeks, including the expiration of the state of disaster declaration and its related impacts; a couple of new legislators, as well as the resumption of the SPARK Task Force.

#### **Big Picture**

##### **Disaster Declaration Ends**

- The disaster declaration expired June 15<sup>th</sup>, and several provisions associated with it also went away, including the ability for parents to file grievances against school districts related to mask mandates or other measures a district may have taken to combat COVID-19.
- Additionally, just last week, a Johnson County district court judge ruled unconstitutional the new law passed last Session, SB 40, that made significant changes to the state's emergency management act. The Court found the new law favored opponents of COVID restrictions, restrained and limited local governments' response to action, and unduly burdened the judicial process.
- More on the issue here: <https://kansasreflector.com/2021/07/15/kansas-judge-strikes-down-new-law-allowing-challenges-to-mask-mandates-in-schools/>
- The State solicitor general is appealing the decision and seeking a stay to keep the law in place.

##### **SPARK Task Force**

- The SPARK Executive Committee has held its first two meetings to begin discussions about how best to invest the next round of federal funds coming to Kansas through the American Rescue Plan Act (ARPA).
- A restructured executive committee oversees federal relief funds. The Commerce Secretary/Lieutenant Governor chairs the committee, but a group of legislative leadership and public members control the majority going forward.
- While the committee is still in early discussions mainly centered around structure and organization of the SPARK Task Force, members of the Executive Committee have

generally agreed to focus on six key topic areas to focus the state's roughly \$1.1 billion in federal discretionary funds: essential needs, economic revitalization, behavioral health, early child development, connectivity, and government operations.

- The latest SPARK meetings and presentations can be found here:  
<https://covid.ks.gov/spark-materials/>

#### KLRD 2021 Legislation Summary

- The Kansas Legislative Research Department (KLRD) has released both its 2021 Summary of Legislation as well as a Legislative Highlights document.
- If you have followed any specific legislation, we've reported on during 2021 or any other bills that have become law, these reports are a great resource.
- Summary: [http://www.kslegresearch.org/KLRD-web/Publications/SummaryofLegislation/2021\\_summary\\_of\\_legislation.pdf](http://www.kslegresearch.org/KLRD-web/Publications/SummaryofLegislation/2021_summary_of_legislation.pdf)
- Highlights: <http://www.kslegresearch.org/KLRD-web/Publications/LegislativeHighlights/2021-legislative-highlights.pdf>

#### Snapshot of State Revenues

- Kansas closed out Fiscal Year 2021 with a total of \$8.9 billion in tax collections, well over previous estimates. The AP reports this is the state's "healthiest cash reserves in more than 40 years."
- For all of us concerned about state revenue available for the coming fiscal years, increased revenue is good news. The State's ending balance at the end of the last fiscal year tops \$1.9 billion, over 20 percent of total revenue and that includes the income tax reduction bill passed during the 2021 session.
- More information and SGF profile can be found here:  
<https://governor.kansas.gov/kansas-total-revenue-receipts-outperform-estimates-by-157-4-million-for-june/>

#### Key Interim Committees

- As we noted above, there are several significant interim committees to follow during the summer and fall, and most will make legislative and policy recommendations to the 2022 legislature.
- Among the interims to watch are:
  - Redistricting.
  - Taxation.
  - Child Welfare System Oversight.
  - Liquor Law Modernization.

#### New Lawmakers Announced

- Chuck Schmidt (D) will replace outgoing Representative Elizabeth Bishop (D) in House District 88 in Wichita. Schmidt comes to the Statehouse with a background in public education, having served as a teacher and school administrator.
- Daniel Osman (D) will replace outgoing Representative Jennifer Day (D) in House District 48 in Overland Park. Osman is an attorney and is President of Osman Consultants LLC.
- It has not yet been announced who will succeed Representative Brett Parker (D-Overland Park) in House District 29. Parker is resigning after serving in the Legislature since 2017.

## **Financial Institutions Related Interim Activities**

Aside from the interim committees listed below, currently there are few anticipated interim activities with a direct impact on financial institutions.

### **Interim Committees Announced**

- The following interim committees and approved number of meeting days have been announced, though no specific meeting dates for most have yet been scheduled.
- See membership list below.
  - Joint Committee on Fiduciary Financial Institutions Oversight (TEFFIs) (1 day).  
See membership list below.
  - Special Committee on Taxation (2 days).
  - Joint Committee on Redistricting (9 days).

### **Joint Committee on Fiduciary Financial Institutions Oversight**

Chair Rep. Jim Kelly  
Vice Chair Sen. Jeff Longbine

#### Senate Members

Sen. Michael Fagg  
Sen. Ty Masterson  
Sen. Jeff Pittman

#### House Members

Rep. Gail Finney  
Rep. Nick Hoheisel  
Rep. Stephen Owens  
Rep. Rui Xu

## **Upcoming Activities**

We'll be providing updates monthly and as financial institutions-related issues arise during the summer and fall.

## **Wrap Up**

Let us know if you have any questions.

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