



## **Community Bankers Association of Kansas**

### **Kansas Legislative and Policy Report**

**January 24, 2022**

#### **Overview**

While the first week of Session was a slow start, the second week saw its fair share of hearings and activities. In addition to gearing up for what is certain to be a battle over Congressional redistricting maps, the Legislature also managed to quickly pass legislation that solidifies the Governor's recent executive orders (EO) relating to aiding healthcare providers during the COVID-19 pandemic. Some committees were disrupted and postponed this week as several lawmakers and staff have tested positive for COVID-19.

Next week promises to be even busier, with hearings on the elimination of the state sales tax on food; alternative COVID-19 treatments; and of course, redistricting. Budget hearings will begin the following week.

#### **Big Picture Issues**

##### Governor's EO:

- Just prior to the Legislature convening on January 10<sup>th</sup>, the Governor issued two EOs designed to assist hospitals and nursing homes facing staffing shortages due to the current surge in COVID-19 cases. The EO does a number of things to help hospitals and nursing homes, including:
  - Gives hospitals and nursing homes flexibility to use staff to treat and test individuals with COVID-19,
  - Allows nursing staff with lapsed licenses to provide services within their training,
  - Allows medical and nursing students to volunteer at healthcare facilities,
  - Allows out-of-state medical professionals to work in Kansas strictly to address COVID-19.
  - Ability for facilities to establish isolation units in order to quarantine patients.
- The EO was set to expire but the Legislature on January 20<sup>th</sup> codified them, and they will continue through January 20<sup>th</sup>, 2023.

##### Redistricting:

- House and Senate Republicans released their congressional map this week, garnering much anticipated pushback from Democratic leadership because the map divides a portion of Rep. Davids' 3<sup>rd</sup> District. The Senate is set to debate and approve the map Friday morning, January 21<sup>st</sup>.
- More on the proposal here: <https://kansasreflector.com/2022/01/18/kansas-republicans-introduce-map-to-divide-kc-metro-place-lawrence-in-1st-district/>

- Following resolution of the congressional map, the Legislature will turn to state legislature districts.

## **Financial Institutions Related Issues**

The financial institutions committees quickly got to work on some TEFFI trailer bills, and Senate FI&I held a hearing for KBA's health plan premium tax exemption. Next week, House Financial Institutions will work on some TEFFI clean up, as well as hear from the industry. CBA will provide a brief overview to the committee on Monday at 9:00, along with KBA and the credit unions.

### Committee Activity This Past Week

- Senate FI&I heard SB 337, one of the TEFFI trailer bills, and passed it out of committee this week. The bill converts the conditional charter issued for the pilot program under the TEFFI Act to a full TEFFI charter.
- Senate FI&I also held a hearing on SB 335, which would exempt certain business entities that provide health insurance in the state but are not subject to the jurisdiction of the commissioner of insurance from payment of the annual premium tax.
  - KBA brought the bill forward in an attempt to keep the cost of health insurance affordable for its members.
  - The bill would exempt the one-percent premium tax on KBA's plan, saving the association roughly \$630,000 annually.
  - The Kansas Cooperative Council also testified in favor of the bill, as this bill would impact its association health plan and save the organization around \$280,000 annually.
- Next week is mostly more TEFFI-related activity, with hearings on SB 334 and HB 2489.
- Beneficent also provided an update to the House Commerce committee this week on its activities thus far in Hesston.

### Active Bills

New bills are in **bold**.

One more TEFFI bill was introduced this week, HB 2489, which is the House companion bill to SB 334.

- SB 335: Exempting certain business entities that provide health insurance in the state but are not subject to the jurisdiction of the commissioner of insurance from payment of the annual premium tax.
  - [http://kslegislature.org/li/b2021\\_22/measures/documents/sb335\\_00\\_0000.pdf](http://kslegislature.org/li/b2021_22/measures/documents/sb335_00_0000.pdf)
  - Hearing in Senate FI&I Thursday, January 20<sup>th</sup>.
  - KBA and the Kansas Cooperative Council testified in support. No opposition.

### TEFFI Bills

- SB 334: Amending provisions of the TEFFI Act relating to procedures when undercapitalized or insolvent; fees and assessments; applications; examinations; insurance and capital requirements and disclosures to consumers and requiring such institutions to be mandatory reporters for purposes of elder abuse.
- SB 337: Converting the conditional charter issued for the pilot program under the TEFFI Act to a full TEFFI charter.
  - Passed out of Senate FI&I Thursday, January 20<sup>th</sup>.
- **HB 2489**: Companion bill to SB 334.

- **Additional TEFFI Bill Pending introduction:** Authorizing TEFFI insurance companies within the captive insurance act and providing for the requirements and operations thereof.
  - Hearing in Senate FI&I Thursday, January 27<sup>th</sup>, pending introduction.

## **Upcoming Activities**

The legislative schedule of hearings is updated regularly throughout the week can be found in the House and Senate calendars on the Legislature website at:

[http://www.kslegislature.org/li/b2021\\_22/chamber/calendars/](http://www.kslegislature.org/li/b2021_22/chamber/calendars/)

Additionally, all hearings are now available on-line live on YouTube and archived by the end of each day. You can find those hearings on the Legislature website at: <http://sg001-harmony.sliq.net/00287/Harmony/en/View/Calendar/>

<http://sg001-harmony.sliq.net/00287/Harmony/en/View/Calendar/>

*Monday, January 24.*

House FIRD. 9:00 AM.

- Update on Financial Institutions, including presentation by CBA.

*Wednesday, January 26.*

House FIRD. 9:00 AM.

- Hearing on HB 2489 TEFFI.

*Thursday, January 27.*

Senate FI&I. 9:30 AM.

- Hearing on pending TEFFI legislation.

## **Wrap Up**

Let us know if you have any questions.

Shawn P. Mitchell, President  
Community Bankers Association of KS  
5897 SW 29<sup>th</sup> Street  
Topeka, KS 66614  
785-271-1404 Office  
shawn@cbak.com  
www.cbak.com

Stuart J. Little, Ph.D.  
Little Government Relations, LLC  
800 SW Jackson, Ste. 1100  
Topeka, Kansas 66612  
785-235-8187 Office  
stuartjlittle@mac.com  
www.lgrkansas.com