



## **Community Bankers Association of Kansas**

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

**February 21, 2022**

#### **Overview**

This week was the last full week for committees to hear and work bills as the first half of the session concludes. Despite a snowy Thursday, most committees met to work bills before Monday's deadline. Committees will have one last chance on Monday to hear and work bills before spending the rest of next week on the floor of their respective chambers debating and passing bills before Turnaround Day, February 24<sup>th</sup>. That marks the deadline for when non-exempt bills must pass their chamber of origin, or else they are effectively dead for the remainder of the Session.

Additionally, as budget subcommittees continue their reports to the full budget committees for state agencies, the budget will gradually be assembled. The full Senate Ways and Means and House Appropriations committees will have their budgets assembled by early to mid-March when they will begin to conference on the budget and reconcile differences before First Adjournment on April 1<sup>st</sup>.

Because next week, when the Legislature will be all about debating bills on the floor, this report is designed to give you an idea of the issues that are still alive and most likely to see action before Turnaround. Right now, most bills will be dead and this report highlights bills that still have a chance to advance.

#### **Big Picture Issues**

##### **Latest on Redistricting**

- As expected, the Congressional map passed by the Legislature a couple of weeks ago has now been challenged in court. Lawsuits brought by Loud Light and the ACLU were filed in state court early this week.

##### **SPARK Update**

- The Advisory Panels (APs) will hold their second round of meetings this week and next.
  - Thursday, February 17<sup>th</sup>: Efficiency & Modernization.
  - Friday, February 18<sup>th</sup>: Health & Education.
  - Friday, February 18<sup>th</sup>: Economic Revitalization.
  - Friday, February 25<sup>th</sup>: Connectivity.
- The AP meetings can be streamed here:  
<https://www.youtube.com/channel/UCfChGWc38RE1tmAKNmQxPg/featured>

## Financial Institutions Related Issues

There are a few bills of note on General Orders in both chambers next week:

- SB 400: Uniform Trust Code.
- SB 483 (expected to be placed on GO): ATM theft.
- Various Housing bills (SB 376 and Sub for HB 2212).
- HB 2568 KMBA.
- Various TEFFI bills.

### Committee Activity This Past Week

- A few bills of note advanced forward this week, including SB 483, SB 335, and SB 400 which are detailed below.

### Hearings on Major Housing Bills

- SB 369: Establishing the Kansas affordable housing tax credit act providing income, privilege, and premium tax credits for qualified low-income housing projects.
  - SB 369 is essentially state enactment of the federal low-income housing tax credit statute.
  - Passed out of Fed and State Affairs and combined with SB 375 into Sub for HB 2212.
  - On General Orders.
- SB 375: Enacting the Kansas housing investor tax credit act and expanding Kansas housing programs to facilitate economic development by providing tax credits for investment in residential housing projects in underserved rural and urban communities to accommodate new employees and support business growth.
  - Passed out of Fed and State Affairs and combined with SB 369 into Sub for HB 2212.
  - On General Orders.
- SB 376: Expanding Kansas housing programs to facilitate economic development by broadening the Kansas rural housing incentive district act to allow use of bond proceeds for construction of residential dwellings and buildings and to include the city of Topeka, increasing availability of loans or grants to rural communities for moderate income housing, establishing a program for urban communities for moderate income housing and permitting housing developments to include manufactured or modular housing.
  - Passed out of Senate Fed and State Affairs.
  - On General Orders.

### Active Bills

Any new bills are in **bold**.

- SB 400 (now Sub for SB 400): Updating certain requirements and conditions relating to the creation, modification, and termination of trusts in the Kansas uniform trust code and updating the definition of resident trust for tax purposes.
  - Heard in FI&I on February 8<sup>th</sup>.
  - Worked in FI&I on February 17<sup>th</sup>.
  - As discussed during the hearing, the first two sections of the bill were removed to address the conferees' concerns and amends the definition of resident trust.
  - Summary of the bill as amended:  
[http://kslegislature.org/li/b2021\\_22/measures/documents/supp\\_note\\_sb400\\_01\\_000.pdf](http://kslegislature.org/li/b2021_22/measures/documents/supp_note_sb400_01_000.pdf)

- In short, the two sections that were removed included the provision for opting out of the rule against perpetuities as well as the decanting statute. The Judicial Council will continue to study these sections and the Legislature may address these issues in the future.
  - On General Orders.
- SB 483: Increasing criminal penalties for theft and criminal damage to property involving remote service units such as automated cash dispensing machines and automated teller machines.
  - Heard in Senate Judiciary and passed out of Senate Judiciary on 2/18. No amendments.
  - CBA provided written testimony in support. KBA and Heartland Credit Union Association testified in support.
  - Likely up for debate on Senate floor next week.
- SB 335 KBA health plan bill: 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.
  - Passed the Senate 34-0 February 17<sup>th</sup>.
- HB 2664: Prohibiting banks, trust companies, credit unions and other business entities from discriminating based on certain subjective or arbitrary factors.
  - Unlikely to advance.
- HB 2568 KMBA bill from the 2021 Session: Amending the Kansas mortgage business act by providing for mortgage business work at remote locations, license and registration renewal or reinstatement procedures, surety bond requirements and evidence of solvency and net worth and requiring notice when adding or closing branch offices.
  - Hearing in House FIRD 1/31.
  - Proponents included OSBC, Zillow, Rocket Mortgage, and the Mortgage Bankers Association.
  - Passed out of committee 2/9.
  - On General Orders.

#### TEFFI Bills

- SB 337: Converting the conditional charter issued for the pilot program under the TEFFI Act to a full TEFFI charter.
  - Passed the Senate 39-0.
  - Passed the House 119-1 on February 16<sup>th</sup>.
- HB 2489: Companion bill to SB 334.
  - Passed the House 120-0 on February 16<sup>th</sup>.
- SB 377: Authorizing TEFFI insurance companies within the captive insurance act and providing for the requirements and operations thereof.
  - Passed the Senate 36-3 on February 15<sup>th</sup>.
  - In House FIRD.
- HB 2554: Converting the conditional charter issued for the pilot program under the TEFFI Act to a full TEFFI charter.
  - Heard in FIRD Monday, 2/7.
- HB 2547: Authorizing TEFFI insurance companies within the captive insurance act and providing for the requirements and operations thereof.
  - Passed out of House Insurance.
  - On General Orders.

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

Additionally, all hearings are now available online live 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/>

*Tuesday-Thursday, February 22<sup>nd</sup>-24<sup>th</sup>.*

- Floor debate.

*Thursday, February 24<sup>th</sup>.*

- Turnaround Day.

## **Wrap Up**

Let us know if you have any questions.

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