



Community Bankers Association of Kansas

Kansas Legislative and Policy Report

October 25, 2022

Overview

Election Day is two weeks away, with many still labeling the Governors' race a toss-up. Several prominent polls have the candidates as just about tied, as Governor Kelly continues to add to a lengthy list of economic development wins while the Schmidt campaign tries to get a definitive edge over the incumbent Kelly. Despite a largely positive last couple of weeks approaching the General Election, the Kelly Administration has come under some renewed fire for the state of the foster care system in Kansas. The two candidates took part in one final debate on October 5th, a synopsis of which can be read here:

<https://kansasreflector.com/2022/10/05/kansas-governor-frontrunners-schmidt-kelly-counterpunch-through-debate-in-johnson-county/>

While the outcome of the General Election will certainly steer the course of the 2023 Session, what remains certain regardless of the winner, is that the 2023 Session is just two and a half months away. Undoubtedly, some of the big topics will include medical marijuana; taxes including the sales tax on food and property taxes; non-public schools and special education; and workforce and economic development, particularly as plans begin in earnest for Panasonic's arrival in Kansas.

This report covers some of the highlights over the last month. We will provide a report following the General Election detailing the outcomes and implications for the coming Session.

Big Picture

September Revenues

- The State's September tax collections totaled \$961 million, exceeding estimates by nearly \$100 million. Last month's receipts exceeded last September's total revenues by \$84.5 million.
- <https://governor.kansas.gov/kansas-september-total-tax-receipts-84-5-million-more-than-last-september-2/>

November Constitutional Amendments

- Here is a reminder summary of the two constitutional amendments on the ballot in a few weeks. The rules and regs amendment could have significant ramifications across agencies and industries if passed.
 - Kansas Legislative Veto or Suspension of Executive Agency Regulations Amendment.

- A "yes" vote supports this constitutional amendment to authorize the state legislature to pass laws by a simple majority vote to revoke or suspend rules and regulations adopted by executive agencies or officers.
- A "no" vote opposes this constitutional amendment to authorize the state legislature to pass laws by a simple majority vote to revoke or suspend rules and regulations adopted by executive agencies or officers, thereby maintaining that the legislature may pass a bill to change the law governing the executive agency or pass a concurrent resolution expressing displeasure with the rule or regulation adopted by executive agencies.
- Kansas County Sheriff Election and Recall Amendment.
 - A "yes" vote supports amending the state Constitution to require the election of county sheriffs in counties that had not abolished the office as of January 2022 and provide that sheriffs may be recalled from office or removed by a writ of quo warrant to initiated by the attorney general.
 - A "no" vote opposes this amendment to require counties to elect sheriffs, thereby maintaining that counties can elect to operate under a consolidated law enforcement agency according to state law.

The rules and regulations constitutional amendment is an expression of legislative reaction to a variety of state agency action perceived to be regulatory decisions that should be managed legislatively. Some of the energy is focused on public health regulatory decisions arising during the pandemic; for example, the state’s vaccination list is a regulatory decision, health care facilities, and environmental policy set in regulations. The “sheriff amendment” issue arises from one county wherein the county chief law enforcement officer represents a joint city and county agreement. The addition to the constitution for the Attorney General to initiate removal of an elected county sheriff is new authority.

Medical Marijuana

- The Special Committee on Medical Marijuana held its first of three scheduled meetings on October 12th. This meeting was largely for regulators and state agencies, including KBI and KDOR, to provide information, as well as for a recap of the legislation that passed the House in 2021.
- The Committee met again on October 19th to hear from supporters, opponents, and neutral parties. Many private citizens, as well as the ACLU, KDHE, and the Kansas African American Affairs Commission offered testimony in support. Neutral testimony was offered by the Kansas Chamber, Kansas Self-Insurers Association, Lamar Outdoor Advertising, DCCCA, and the State Fire Marshall. Opponents included the Kansas Medical Society, Johnson County Sheriff’s Office, and a handful of other organizations.
- The Committee is scheduled to meet on November 16th to finalize committee recommendations for the 2023 Legislature. That final recommendation will resemble House Sub for SB 158 that passed during the 2023 session and there is a strong likelihood it will pass.
- For what it may be worth, the House bill provides state immunity from criminal prosecution for activities in the medical marijuana business.

Interim Activities

No interim committee meetings of note have been scheduled thus far for the next three weeks leading up to the General Election. The Joint Committee on TEFFI Oversight has yet to meet prior to the 2023 Legislature.

ESG: Environmental Social Governance Update

- The Missouri AG, along with 18 other states, including Kansas, on October 19th announced that six major U.S. banks had essentially been subpoenaed related to the banks' relationships with the UN Net-Zero Banking Alliance. The six banks—Bank of America, Citigroup, Goldman Sachs, JP Morgan Chase, Morgan Stanley, and Wells Fargo—are under investigation possibly for collusion related to their interest in the long-term impact of fossil fuels and climate change.
- <https://ago.mo.gov/home/news/2022/10/19/missouri-attorney-general-leads-19-state-coalition-in-launching-investigation-into-six-major-banks-over-esg-investing>

Credit Card Competition Act

- The Credit Card Competition Act was attempted to be added to the National Defense Authorization Act (NDAA). It is just one of 900 proposed amendments to the NDAA. Congress is recessed until November and will not vote on the NDAA until after the mid-terms. It remains to be seen just how many of the hundreds of amendments will be seriously considered come mid-November.

Upcoming Activities

We will be providing updates monthly and as issues arise during the fall. Interim committee meetings can be viewed live or recorded on both the Legislature's website <http://www.kslegislature.org/li/> and YouTube <https://www.youtube.com/c/KSLegislatureLIVE>

Additionally, interim committees, membership, agendas, and testimony can be found on the Legislature's website, although meeting documents are not always timely. http://www.kslegislature.org/li/b2021_22/committees/non_standing/#Joint

Friday, October 28th.

Legislative Budget Committee. 9:00 AM. Update on COVID-19 expenditures and other budget matters.

Wrap Up

Let us know if you have any questions.

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