

## 2024 SENATE SCENE WEEK 10

It may seem hard to believe, but the legislature is now fully ten weeks into its session and has just two weeks remaining prior to “first adjournment.” We will adjourn briefly before returning to wrap up the regular part of the session with veto session beginning April 29<sup>th</sup> and the target date to end May 2<sup>nd</sup> which is 90 legislative days. This session calendar is very fluid with date changes announced by leadership during Senate and House action.

### SENATE FLOOR ACTION

This week, the Senate took the first major step in finalizing the budget for FY 2025 by passing [Sub Bill for SB 514](#). FY 2024 - The bill adjusts total state expenditures to \$25.3 billion, including \$9.9 billion SGF, in FY 2024. FY 2025 - the bill included expenditures totaling \$25.1 billion, including \$10.2 billion SGF, for FY 2025.

Major additions to the FY 2024 budget include the following:

- The budget also allocates \$78.7 million to increase Medicaid outpatient reimbursement rates to help raise Kansas Medicaid base rates, which currently stand at 27% of the average commercial rate at all Kansas hospitals.
- \$10.0 million SGF for the Career Campus match for the Lansing Correctional Facility.
- \$20.7 million SGF to cover the shortfall in contract nursing staff costs at Larned State Hospital and Osawatomie State Hospital.
- \$20.0 million, all from the Kansas Highway Patrol Operations Fund, to construct a new Central Dispatch Facility and a firing range.
- \$10.8 million, including \$10.2 million SGF, in FY 2024 and \$1.0 million for FY 2025 to address the Pay Plan Shortfall in 2023 SB 25.
- \$7.0 million SGF for the centralized electronic credentials verification system required by 2023 SB 66.

The bill also includes the following deletions and transfers:

- Transfer \$41.0 million from the Legislature Employment Security Fund to the University of Kansas (\$20.5 million) and Wichita State University (\$20.5 million)
- \$15.7 million SGF for a Southwest border mission. The bill includes language directing expenditures be made to respond to a request for assistance from the State of Texas pursuant to the Emergency Management Compact and that the Adjutant General collaborate with the Governor to activate, mobilize, and deploy state resources to prevent drug and human trafficking and other crimes contributing to an emergency in FY 2024.
- \$75 million for a new cancer center at the University of Kansas Medical Center.

Eventually, the House will also pass a budget, after which a conference committee will work out differences between the two chambers. The legislature has a constitutional responsibility to pass a balanced budget every session. [Sub Bill for SB 514](#) passed by a vote of 24-15. *I voted yes.*

An overview of the budget can be viewed by going to:

[http://www.kslegislature.org/li/b2023\\_24/measures/documents/bill\\_exp\\_sb514\\_01\\_0000.pdf](http://www.kslegislature.org/li/b2023_24/measures/documents/bill_exp_sb514_01_0000.pdf)

### SENATE TAX BILL

[SB 539](#) is the second attempt this session at a compromise tax plan after the first bill was vetoed by the governor and sustained by the House. A few highlights are listed below.

- **Repeal of Income Tax on Social Security**  
Beginning in tax year 2024, the bill would exempt all Social Security benefits from the individual income tax.

- **Property Tax Reductions**

The bill would increase, beginning in tax year 2024, the amount of residential property exempt from the statewide uniform 20-mill levy to \$100,000 of appraised value.

- **Standard Deduction Increased for Single Filers**

The bill would, beginning in tax year 2024, increase the Kansas individual income tax standard deduction amount for single filers from \$3,500 to \$4,000.

- **Personal Exemptions.**

The bill increases the personal exemption. Currently, it stands at \$2,250 for each person in a household. Under the bill, this would increase to \$11,000 for single filers, \$22,000 for married filers, plus an additional \$3,000 for each dependent in the household to be annually increased by the cost-of-living adjustment determined under Section 1(f)(3) of the Internal Revenue Code.

- **Financial Institutions Privilege Tax Rate Changes**

The bill would reduce the privilege tax rates applied to financial institutions. For banks, the normal tax rate would be reduced to 1.94 percent for tax year 2025, and 1.63 percent for tax year 2026. For trust companies and savings and loan associations, the normal tax rate would be reduced from 2.25 percent to 1.93 percent for tax year 2025.

- **Single Rate.** After personal exemptions and the standard deduction are calculated, the bill would establish a single rate of 5.7%, which would decrease by .5% annually through 2029, eventually reaching 5.45%.

SB 539 passed with a bi-partisan supermajority of 29-11. *I voted yes.*

The Supplemental Note can be viewed by going to:

[http://www.kslegislature.org/li/b2023\\_24/measures/documents/supp\\_note\\_sb539\\_02\\_0000.pdf](http://www.kslegislature.org/li/b2023_24/measures/documents/supp_note_sb539_02_0000.pdf)

## **OTHER SENATE FLOOR ACTION**

[HB 2036](#) would create a sales tax exemption beginning January 1, 2023, for tangible personal property and services purchased by Kansas resident veterans who have been honorably discharged and have at least a 50 percent permanent disability rating sustained through military service. *The bill passed 38-2. I voted yes.*

[SB 484](#) would exempt, beginning in tax year 2025, certain personal property from all property or ad valorem taxes levied under Kansas law, including snowmobiles, all-terrain vehicles, motorized bicycles, small trailers, and watercraft. *The bill passed 29-11. I voted yes.*

[SB 376](#) as amended, would extend the income tax credit attributable to the retirement of indebtedness authorized by a single city port authority, currently scheduled to expire after tax year 2024, through tax year 2029. *The bill passed 35-5. I voted yes.*

[SB 311](#) as amended, would prohibit the sale price at which a property sells in an Internal Revenue Code Section 1031 exchange, build-to-suit transaction, or a sale/leaseback arrangement from being considered an indicator of fair market value or used in arriving at fair market value for property tax purposes. *The bill passed 21-19. I voted yes.*

[SB 498](#) as amended, would amend the adoption tax credit, enact the Pregnancy Resource Act that would provide a tax credit and sales tax exemption for certain contributions to certain pregnancy resource centers and residential maternity facilities. Under the bill, beginning in tax year 2024, the adoption tax credit would increase to 100 percent of the federal adoption tax credit. *The bill passed 28-12. I voted yes.*

[SB 307](#) would amend the Kansas Fights Addiction Act to include for-profit private entities in the definition of “qualified applicant.” *The bill passed the Senate 39-1 and will be sent to the governor. I voted yes.*

[HB 2587](#) would authorize the board of directors of a drainage district within a county or city to meet in executive session in accordance with provisions of the Kansas Open Meetings Act. *HB 2587 passed the Senate 40-0. I voted yes.*

[SB 500](#) would amend law pertaining to restricted driving privileges for certain individuals who violate the misdemeanor offense of failure to comply with a traffic citation. *SB 500 passed the Senate 38-2. I voted yes.*

[SB 480](#) would allow the State Board of Tax Appeals to conduct small claims and expedited hearings and appeals by teleconference or video conference as directed by the Chief Hearing Officer or a designee. *The bill passed 39-1. I voted yes.*

[SB 482](#) as amended, would make several modifications to the revenue neutral rate notification and hearing process. Among the provisions, the bill would specify that county clerks are not required to send hearing notices to owners of property that is exempt from taxation and would also require the vote of a governing body to exceed the revenue neutral rate to take place on the same day as the commencement of the public hearing to exceed the rate. *The bill passed 32-8. I voted yes.*

[SB 60](#) was the original sales tax exemption bill introduced last year which removes sales tax on the process of meat at our meat processing businesses and was supported by Kansas Farm Bureau and Livestock Association. It was amended in the Taxation and Assessment Committee and the Committee of the Whole by adding a school sales tax holiday, sales tax exemptions for diapers – both children and adult and children and menstrual supplies. It also includes purchases by Exploration Place and Kansas Children’s Discovery Center for their projects. It also includes sales tax exemptions for the Johnson County Christmas Bureau and Doorstep Inc. for the need of personal assistance with food, clothing, and short-term emergency needs.

Full texts of the bills and supplemental notes as well as the Final Action vote on these measures can be found at [www.kslegislature.org](http://www.kslegislature.org).

#### **ADDITIONAL LINKS FOR LEGISLATIVE ACTION**

[Kansas Legislature YouTube](#) – Here you can follow the legislature live as it happens, or access archives of past sessions and committee meetings.

[Kansas Legislature Audio](#) – Here you can listen in on session or committees when they are in session, or access prior committee meetings, as well.

#### **UPDATE FROM KANSAS INSURANCE COMMISSIONER VICKI SCHMIDT**

If you or someone you know has an issue with their insurance, we are happy to help! We may not always like the answers we get, but we will do our best to get you an answer. Please use the contact information below to reach out to us if we can be of assistance.

Main Line: (785) 296-3071

Consumer Assistance Hotline: 1-800-432-2484

Consumer Complaint: [kid.webcomplaints@ks.gov](mailto:kid.webcomplaints@ks.gov)

Producer Licensing: [kid.licensing@ks.gov](mailto:kid.licensing@ks.gov)

Email: [KID.Commissioner@ks.gov](mailto:KID.Commissioner@ks.gov)

Website: [Insurance.kansas.gov](http://Insurance.kansas.gov)

#### **PAGES FOR THE SENATE – March 14**

On March 14<sup>th</sup>, Machkenzie Dixon, Plainville; Savannah Slaubaugh, Hays; Maryann Walter and Maura Knappert both of Beloit, served as pages for the Kansas Senate. The pages spent their day with us at the Capitol running errands, working in my office, attending committee meetings, and taking a historical tour of the Capitol as well as the dome tour.

#### **LEGISLATIVE TOWNHALLS**

Several legislative townhalls have been conducted throughout the 36<sup>th</sup> Kansas Senate District with more scheduled in the upcoming few weeks. On April 13<sup>th</sup>, there is a Legislative Coffee scheduled in Concordia at 8:00 am at Jitters Coffee House with Representative Susan Concannon and Representative Bill Bloom sponsored by Farm Bureau. Representative Susan and I are scheduled to be in Beloit on April 20<sup>th</sup> – more details to follow at a later date.

## **THANK YOU FOR ENGAGING**

Thank you for all of your calls, emails, and letters regarding your thoughts and concerns about happenings in Kansas. I always encourage you to stay informed of the issues under consideration by the Kansas Legislature. Committee schedules, bills, and other helpful information can be easily accessed through the legislature's website at [www.kslegislature.org](http://www.kslegislature.org). You are also able to 'listen in live' at this website. Please do not hesitate to contact me with your thoughts, concerns, and suggestions. An email is the best at this point in the session.

Thank you for the honor of serving you!

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