



HOUSING HIGHLIGHTS

2025 Legislature Week Eleven

March 28, 2025

Volume 11 Issue 10

BUDGET PASSES PRIOR TO ADJOURNMENT

The state legislature has approved a budget for the upcoming fiscal year, allocating \$25.6 billion in total spending, including \$10.64 billion from the State General Fund. This represents a \$210 million reduction in state revenue spending compared to the current fiscal year's \$27.08 billion, which includes \$10.85 billion from the State General Fund. A key point of contention for some opponents was the uncertainty surrounding ongoing cuts to federal programs and their potential impact on Kansas' finances. The estimated decline in the State's cash reserves for the coming years have raised concerns about the long-term financial implications, with projections indicating a \$461 million deficit by fiscal year 2028, a significant shift from the current \$2.1 billion surplus. The adopted budget includes full funding for public schools, but reduces funding for certain special education services and eliminates funding for the Blueprint for Literacy program. It also allocates funds for various projects, including state employee wage increases, a military weapons project, a highway patrol dispatch center, building renovations, firearm detection software, bridge construction, and university initiatives. Other provisions include changes to Medicaid eligibility, food assistance restrictions, and adjustments to state agency operations.

ALTERNATIVE PROPERTY TAX VALUATIONS EXAMINED

Lawmakers debated a proposed constitutional amendment designed to limit property valuation increases to 4% annually, revealing deep divisions on its potential impact. The amendment's proponents argued it would provide necessary relief to taxpayers facing rising property tax burdens, while opponents expressed concerns that it would offer minimal relief and significantly reduce state revenue for school funding. Critics pointed out the contradiction in claims that the measure would both be ineffective and devastating to school finances. Although the Senate initially failed to advance the resolution, they reconsidered their action the following morning. However, the House ultimately rejected HCR 5011. Concerns were raised about the amendment's cap on appraisal increases not directly addressing mill levies, potentially limiting its effectiveness in providing actual tax relief. Additionally, questions arose regarding the delay in placing the amendment before voters, with one senator citing an unconventional reason for the change. Opponents emphasized the urgent need for property tax relief, highlighting the impact on vulnerable populations and criticizing the lack of meaningful action. Substantial revenue loss for schools further fueled opposition, with some suggesting the amendment could intentionally undermine school funding.

BILL TO TRIGGER INCOME TAX CUTS PASSES

The legislature has advanced SB 269 aimed at reducing future income tax rates. Under this plan, personal income tax rates would decrease gradually, tied to revenue surpluses, until they reach a target rate of 4%. Currently, personal income tax rates stand at 5.2% and 5.58%. Once individual rates hit the specified levels, tax cuts for corporations and financial institutions would begin. Reductions are triggered by annual surpluses in both income tax revenues and the state's rainy day fund balance. Proponents argue that the plan demonstrates fiscal responsibility, offering a more sustainable approach to tax policy. However, critics have raised concerns about the long-term effects, particularly the potential for revenue shortfalls. They warn that using surplus funds for income tax reductions could limit resources for other essential needs, including property tax relief and fully funding critical services like special education. There are also worries about the potential risks during an economic downturn, drawing parallels to previous tax cuts that resulted in significant budget deficits. The legislation will now proceed to the Governor for final consideration.

KANSAS JUSTICE TO RETIRE

Kansas Supreme Court Justice Evelyn Wilson has announced her retirement, effective July 4, citing a recent diagnosis of amyotrophic lateral sclerosis (ALS). In her resignation letter to the Governor, Wilson expressed that the progression of her illness has impacted her ability to perform her duties to her desired standard. Appointed in 2019, Wilson's departure will create a vacancy to be filled through the established nominating commission process, wherein a panel of legal professionals and gubernatorial appointees will select three candidates for consideration. The vacancy will represent the fourth such appointment for Governor Kelly.

NEW COURT OF APPEALS JUDGE CONFIRMED

The Senate approved the confirmation of Judge Lori Bolton Fleming, nominated by Governor Kelly, to the Kansas Court of Appeals. Judge Fleming, who currently serves as the chief judge for the 11th Judicial District, was appointed to her current position in 2012 and has served in that district since. The nomination fills a vacancy left by the retirement of the longest-serving judge on the Court of Appeals. Judge Fleming's appointment is notable for bringing representation from rural areas of the state to the appellate court, which is currently dominated by judges from larger urban centers. During her testimony, Judge Fleming emphasized her extensive experience, including handling appellate cases while simultaneously serving as a district court judge. When questioned about her views on specific legal matters, she consistently stated that "courts don't make law," indicating a commitment to interpreting and applying existing laws rather than creating new ones. She also highlighted her background as a former English teacher and her motivation to pursue law to advocate for vulnerable individuals.

VOTER GRACE PERIOD VETO OVERTURNED

The Kansas legislature has overridden Governor Kelly's veto of SB 4, a measure that alters the deadline for counting mail-in ballots. The new law shifts the deadline to 7 p.m. on Election Day, eliminating the previous three-day grace period for ballots postmarked by Election Day. This change, according to the Secretary of State's Office, could result in the disqualification of over 2,000 ballots from the 2024 election. Supporters of the bill assert it will enhance voter confidence and ensure election transparency, emphasizing the need for a fair and trusted system. Opponents, however, express concerns that the new deadline will disenfranchise vulnerable populations,

including seniors, college students, and rural residents, arguing it undermines election integrity. The override passed with more than the required two-thirds majority in both chambers.

ELIMINATION OF STATE PROPERTY TAX LEVIES

Lawmakers, aiming to fulfill a campaign promise to reduce property taxes, concluded the 2025 regular session by passing SB 35. The bill eliminates two state property tax levies totaling 1.5 mills, shifting the estimated \$81 million obligation to the state general fund. One mill of this levy supports the Kansas Educational Building Fund, which finances the construction, renovation, equipment, and repairs of facilities at higher education institutions within the Board of Regents. The half-mill levy funds the State Institutions Building Fund, which helps care for residents with disabilities and children at state institutions, and offenders in juvenile facilities. Proponents of SB 35 argue that it limits taxable property values and provides much-needed relief to taxpayers. However, critics contend that the promised property tax relief is inadequate, pointing to the modest savings homeowners are likely to see. The bill now awaits Governor Kelly's consideration for final approval.

APPROVED LEGISLATIVE GIFT LIST EXPANDED

A recent legislative decision has modified existing ethics regulations, broadening the scope of permissible travel reimbursements for elected officials. The approved measure now allows nonpartisan, nonprofit organizations, beyond those with a national focus, to cover expenses related to lawmakers' attendance at educational events and conferences, provided these organizations do not engage in lobbying activities within the state. This adjustment aims to facilitate participation in fact-finding and educational opportunities offered by a wider range of entities. Additionally, the legislation grants the executive branch greater discretion in accepting complimentary or discounted tickets to entertainment events. Supporters of the amendments contend that they establish a more equitable framework for reimbursement, addressing disparities between national and other educational organizations.

DISABILITY SERVICES WAIT LIST FUNDS CUT

A legislative conference committee, tasked with finalizing the state budget, significantly reduced proposed funding aimed at alleviating the waiting list for services for individuals with intellectual and developmental disabilities. While initial proposals from the respective chambers suggested reducing the list by either 320 or 500 slots, the final agreement allocated funding for only 200 new slots. Instead, a substantial portion of the previously earmarked funds was redirected towards increasing reimbursement rates for service providers. This shift has drawn criticism from disability rights advocates, who express concern that prioritizing provider rates over reducing the waiting list will negatively impact individuals and families awaiting crucial support. They highlight the disparity between recent rate increases for providers and the comparatively limited funding allocated to directly address the waiting list. The decision has also been viewed as a setback to a previously established bipartisan commitment to reducing the waiting list and jeopardizes a planned multi-year strategy to eliminate it entirely. Stakeholders are now calling for a renewed focus on collaborative efforts to ensure adequate funding for both service providers and individuals with disabilities.

ADMINISTRATIVE BUDGETS SLASHED BY DOGE

Kansas is facing significant financial uncertainty as federal grants, particularly those supporting critical public health initiatives, have been terminated. The Kansas Department of Health and Environment has confirmed the loss of numerous federal grants, impacting programs focused on immunizations, health disparities, community health workers, and epidemiology. The Kansas Department for Aging and Disability Services has also reported the termination of two substantial funding awards from the Substance Abuse and Mental Health Services Administration, intended for essential substance abuse and mental health services. These program terminations have caused significant disruption to state operations, prompting KDHE and KDADS to assess the full impact on affected programs and services.

HUNTER ACCESS DEBATED

A legislative dispute has emerged regarding the allocation of hunting permits in Kansas, focusing on proposed restrictions for non-resident hunters. The debate centers on limiting these hunters to three days of access per week, a measure proponents argue will safeguard in-state hunters' opportunities and address migratory bird pattern disruptions caused by concentrated hunting. Opponents, however, express concerns about potential economic repercussions, citing significant revenue losses from tourism if out-of-state hunters are restricted. Concerns have also been raised regarding proposed fee increases for all hunters. While some lawmakers advocate for further deliberation to balance in-state access with economic considerations, others have pushed for immediate implementation of the restrictions, resulting in a legislative impasse between the state's governing bodies. Efforts are underway to adapt versions of the bill and mitigate potential economic impacts.

GOVERNOR SIGNS SEVERAL BILLS

- **SB 2** was signed into law, validating the \$4.6 million school bond approved by Greeley County voters in May 2024. The bond, aimed at funding a new gymnasium, locker room, and playground for the USD 200 district, faced a challenge from the Attorney General who sought to nullify the vote due to the school board's alleged failure to comply with a state law requiring public notification via a county website. This became problematic because Greeley County does not have a county run website. Despite this, the school district provided public notice through local newspaper coverage and a comprehensive online document on the schools website detailing the bond proposal. A near-unanimous vote in both the House and Senate, supported the bill to the voter-approved school bond.
- **SB 7** was signed into law which modifies the financial cap on general obligation bonds for township building projects. The legislation introduces a tiered system, maintaining the current 1% cap for townships with populations under 5,000, while increasing it to 5% for townships with populations between 5,000 and 9,999, and to 10% for those with populations exceeding 10,000. Additionally, the bill extends the maximum maturity term for these bonds from 15 to 20 years, providing townships with greater financial flexibility for reconstruction, repair, and equipment acquisition of their buildings.
- **SB 8** was signed into law implementing a \$75 fine for motorists who fail to take precautions when approaching stationary vehicles displaying hazard lights on highways. The legislation, which passed unanimously in both the House and Senate, aims to enhance road safety by requiring drivers to move over or slow down when encountering such vehicles. This expansion of the state's

"move-over" law, previously limited to emergency and utility vehicles, now applies to all vehicles, addressing a significant risk highlighted by KDOT data showing nearly 1,000 crashes involving unoccupied vehicles on the roadside in recent years, resulting in fatalities and serious injuries.

- **SB 88** was signed into law mandating specialized "memory care" training for the state's long-term care ombudsman. This legislation, introduced by Senator Chase Blasi at the request of the Alzheimer's Association, aims to enhance the quality of care assessments for residents in nursing homes and other long-term care facilities who are living with Alzheimer's disease and dementia. The bill, which received near-unanimous support in the legislature, reflects a commitment to improving the specialized support provided to vulnerable individuals within the state's care system.

The House and Senate adjourned the regular session on Thursday, March 27th and will not meet again until the veto session begins Thursday, April 10th.

KANSAS HOUSING ASSOCIATION, INC.

513 SW VAN BUREN STREET, TOPEKA, KANSAS 66603

PHONE: 785-235-6283 FAX: 785-235-8676

KHA@KANSASHOUSINGASSOCIATION.COM

WWW.KANSASHOUSINGASSOCIATION.COM

HOUSING HIGHLIGHTS IS A WEEKLY LEGISLATIVE SUMMARY
PREPARED BY KHA, INC. KANSAS GOVERNMENT AND STATEWIDE
NEWS ARE GATHERED AND COMPILED INDEPENDENTLY FROM
VARIOUS MEDIA REPORTS.

KHA BOARD OF DIRECTORS

TREY GEORGE, PRESIDENT
KELSEY HERR, VICE PRESIDENT
BETH EASTER, TREASURER
TONY KRSNICH, SECRETARY
MATT GILLAM, PAST PRESIDENT

DIRECTORS AT LARGE

Director - Rebecca Arthur
Director - Andrew Danner
Director - Matt Fulson
Director - Chris Hite
Director - James Oltman
Director - Dan Sallier
Director - Joshua Yurek