



# HOUSING HIGHLIGHTS



**2025 Legislature Week Nine**

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## **A TAX CONSTITUTIONAL AMENDMENT**

Kansas House Speaker Pro Tem Blake Carpenter has introduced a constitutional amendment proposing the creation of a "Freedom from Taxes Fund," aimed at long-term tax reduction. This fund would be fueled by revenues generated from the elimination of state sales tax exemptions, as determined by a citizen committee. The amendment, if approved by the legislature and voters in November 2026, would mandate this committee to review and recommend the removal of existing exemptions, which currently cost the state approximately \$8.7 billion annually. The dedicated fund would initially be used to offset and eventually eliminate property taxes for schools and state buildings, followed by income tax reductions, with a 3% cap on annual withdrawals. This proposal joins a series of other constitutional amendments under consideration by the Kansas Legislature, including those related to property appraisals, executive branch regulations, Second Amendment rights, noncitizen voting, and Supreme Court justice elections, none of which have yet passed.

## **COMMITTEE ON GOVERNMENT EFFICIENCY ESTABLISHED**

The Kansas legislature has formed the Committee on Government Efficiency, inspired by federal efficiency initiatives, to identify and implement cost-saving measures and process improvements within state government. COGE, a Senate committee, conducts hearings on proposed legislation, such as HB 2240, focusing on eliminating waste, fraud, and abuse to maximize resource allocation. The committee reviews evidence, weighs pros and cons, and votes on bills in private sessions. COGE has already identified potential savings, citing an example where a contract awarded for \$8 million could have been completed for a \$55,000 fee-for-service. However, concerns have been raised regarding transparency, specifically the withholding of public submissions for efficiency suggestions from committee members. The committee plans to conduct further research and investigation during the interim, with ongoing efforts to identify efficiencies beyond legislative bills.

## **FUNDING FOR STATE WATER PLAN**

Kansas HB 2113 proposes a significant boost to the state's water infrastructure funding, allocating an additional \$20 million annually to the Kansas Water Plan fund. Building upon prior legislative efforts, this bill would raise the fund's total annual allocation from \$35 million to \$55 million, specifically earmarking increased funds for technical assistance and water project grants. This initiative addresses the pressing water needs of Kansas communities, which have collectively requested over \$600 million in water-related project funding in the past two years, with a significant portion originating from small, rural towns. The bill's proponents highlight the urgent need to conserve finite water resources, particularly in regions reliant on the rapidly depleting Ogallala Aquifer. With bipartisan support and widespread testimony from municipalities facing critical water infrastructure challenges, HB 2113 aims to provide essential financial assistance for projects ranging from emergency connections and water quality improvements to pipeline replacements and sewer overflow mitigation, reflecting a concerted effort to safeguard our water's future.

## GOVERNOR HONORS KANSAS TASK FORCE 1

March 12th was proclaimed KS-TF1 Hurricane Response Day for their vital deployment to Florida and North Carolina following Hurricanes Helene and Milton, proclaiming The 36-member team, representing 14 agencies across Kansas, executed critical search and rescue operations, provided medical support, and assisted local agencies during two separate deployments in late 2024. Their missions included extensive efforts in water rescue, field hospital setup, and ground searches, demonstrating the team's comprehensive training and dedication. State Fire Marshal Mark Engholm emphasized the importance of rigorous training in enabling KS-TF1 to deliver a professional and effective response, highlighting the collaborative effort of various Kansas agencies in providing crucial aid to affected communities.

## KANSAS CONSIDERS TAX EXEMPTION ON TIPS

A proposed Kansas bill aims to exempt up to \$25,000 in annual tips from state income tax, mirroring a concept floated at the federal level. This initiative seeks to alleviate the tax burden on tipped workers, such as food servers, who often face unexpected tax liabilities due to the state's lower minimum wage for tipped employees. **Current Landscape:** The average Kansas food server earns approximately \$34,000 annually. Kansas's tipped minimum wage is significantly lower than some other states. The federal government is also considering a similar tax exemption on tips. **Proposed Legislation:** Kansas Senate Bill 277 would exempt up to \$25,000 in tips from state income tax. Kansas Democrats have introduced a bill to raise the state minimum wage to \$15 per hour and the base rate for tipped workers to \$7.50 per hour. **Arguments:** Proponents argue it's a "common-sense" measure that benefits hard-working Kansans. Opponents contend that a minimum wage increase would be a more effective way to support tipped workers. It is known that tip reporting is not always accurate, and this bill may cause more people to accurately report their tips. **Outlook:** The fate of the federal proposal will likely influence Kansas's decision. The state legislative session is set to conclude in April, while federal action may extend beyond June. Republican leadership is not currently supporting an increase in the minimum wage.

## PROPOSED HIGHER EDUCATION REVIEW

A Kansas House committee advanced HB 2402, which proposes a 17-member blue-ribbon commission to comprehensively study the state's public higher education system. Initiated by Republican Representatives Rahjes and Francis, the commission would explore operational efficiencies, financial structures, and potential consolidations among Kansas' 32 public institutions, including state universities, community colleges, and technical colleges. The commission is tasked with delivering preliminary and final reports to the Legislature in 2026 and 2027, respectively, focusing on accessibility, affordability, and student-centric approaches to operations.

## HOW TO FILL U.S. SENATE VACANCIES

Kansas Senate President Ty Masterson believes that a recent fatal aviation accident involving a military helicopter and commercial airplane may potentially have political ramifications regarding U.S. Senate vacancies. This has prompted him to encourage Kansas lawmakers to accelerate efforts to revise Kansas' vacancy appointment process. Currently, the governor appoints replacements at her own discretion, but SB 105, which has passed the Senate and received initial House approval, will require unexpected vacancies be filled from a short list of potential appointees provided to the governor by the legislature.

## MEDICAL CANNABIS UNDER CONSIDERATION

Bills have been introduced proposing both medical and recreational cannabis legalization. SB 294 seeks to establish a medical marijuana program, while House Bill 2405 outlines a comprehensive framework for adult-use legalization, including licensing, taxation (15% revenue tax), and regulatory oversight. HB 2405 addresses patient access, caregiver regulations, and legal protections regarding housing and parental rights.

## NEW TRAFFIC LAW

Kansas lawmakers have unanimously passed SB 8, a "Move Over" law expansion designed to enhance roadside safety. The legislation mandates that drivers either change lanes or reduce speed to a "reasonable" and "prudent" level when approaching any stationary vehicle displaying hazard lights or warning signals. This expands existing protections previously limited to emergency and utility vehicles, now encompassing all motorists experiencing roadside breakdowns. The impetus for this change stems from alarming Kansas Department of Transportation statistics, revealing nearly 1,000 collisions involving stalled vehicles between 2018 and 2023, resulting in fatalities and numerous injuries. With every state having some form of "Move Over" law, Kansas joins the growing trend of adopting a universal approach, aiming to prevent further roadside accidents and protect all drivers. Once signed by Governor Kelly, violators will face a \$75 fine for non-compliance.

## STAR BONDS FOR MALL DEBATED

A Kansas House committee continues to review SB 197, which proposes expanding the state's STAR bonds program to include the redevelopment of struggling malls. Senator Jeff Klemp, who introduced the mall provision, emphasized the potential to revitalize dilapidated malls across the state, aiming to attract external visitors. However, committee members raised concerns about the long-term viability of mall redevelopment in a changing retail landscape, questioning whether the underlying cultural shift away from traditional malls would undermine the program's success. The bill, which extends the STAR bonds program through 2028, also includes provisions such as eliminating eminent domain authority for the purpose of acquiring property for a STAR Bond project, requiring detailed visitor data collection, and mandating increased transparency in project finances. The House committee's examination highlighted differing perspectives on the strategic use of STAR bonds for economic revitalization, particularly in the context of evolving consumer trends.

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