



# 2021 CAPITOL GAINS



**KANSASCHAMBER**  
UNITED FOR BUSINESS

SAFEGUARDING OUR SYSTEM OF FREE, COMPETITIVE ENTERPRISE



## FROM THE PRESIDENT

### TABLE OF CONTENTS

 From the President.....	2
 Taxation.....	3-4
 Human Resources.....	5
 Energy.....	6
 Education & Workforce Development.....	7
 COVID-19 Economic Recovery.....	8
 Historic Victories.....	9
 Your Chamber Team.....	10
 Board of Directors.....	11



One year ago, the COVID-19 pandemic was spreading, and Kansas businesses were focused on adapting through adversity and stepping up to help the state in a time of crisis. The Kansas Chamber's 2020 Capitol Gains was short on legislative victories because of the Kansas Legislature's abrupt end of the session in March, leaving all but a handful of bills to die. A brief special session in June addressed the Kansas Emergency Management Act and Governor Laura Kelly's authority along with the Legislature's role in oversight.

After the Chamber's political affairs efforts resulted in great success during the 2020 primary and general elections, the Kansas House of Representatives and Kansas Senate now have supermajority of pro-business legislators. With a new legislature in place in 2021, Governor Kelly signed Senate Bill 13 into law - a bill creating a "Truth in Taxation" property tax law based on a similar law in Utah. This is the same bill she vetoed in 2020, but as they say, the writing was on the wall after it passed the legislature with huge majorities.

The Chamber's government affairs team fought tirelessly for the state to decouple from the 2017 Tax Cuts and Jobs Act so Kansas individuals and businesses could take advantage of the federal tax cuts passed more than three years ago. After two vetoes in 2019 and a third one this session by Governor Laura Kelly, Senate Bill 50 became law this year thanks to successful override votes of 84-41 in the House and 30-10 in the Senate.

Those two bills are significant victories for Kansas taxpayers. I cannot state how proud I am to lead your Chamber team. The Kansas business community had a monumental 2021 session. There are always critics of the business community and sometimes, of the Chamber. Unfortunately, they fail to acknowledge that much of the policies supported by the Chamber passed with great bipartisan support. Our comprehensive UI reform bill passed the Legislature in its final form unanimously!

Last year I wrote "Through the recent trials and challenges, we maintain perspective that our faith, families, friends and our members matter most. We could not do what we do without our members, so thank you for your continued investment and support for the Kansas Chamber."

I cannot say this enough: I am the luckiest person to have the position that I do. This IS the best job I have ever had. Our members make it easy to wake up and come to work every single day. The passion, work ethic and others-first attributes of Kansas businesses providing essential products and services across the globe is the model for success.

We are proud to represent you at the Chamber, and I thank you for your continued investment in what we do on your behalf.

Sincerely,

President & CEO, Kansas Chamber



THE MISSION OF THE KANSAS CHAMBER  
OF COMMERCE IS TO CONTINUALLY  
STRIVE TO IMPROVE THE ECONOMIC CLIMATE  
FOR THE BENEFIT OF EVERY BUSINESS AND  
CITIZEN AND TO SAFEGUARD OUR SYSTEM OF  
FREE, COMPETITIVE ENTERPRISE.



## TAXATION

### OUR POSITION

The Kansas Chamber supports policies which lower taxes, allowing businesses the crucial financial strength to grow, develop products, invest in employees, and increase profits. A strong business climate creates a strong state economy, generates jobs, and provides for investments in communities.

### THE CHALLENGE

The Kansas tax code is mediocre at best. Our sales tax is 8th highest in the country. Property tax rates discourage investment, especially in rural parts of the state.

### OUR VICTORIES

- ▶ Passed **Senate Bill 50** implementing **comprehensive tax reform**. Thanks to the 2020 election of a strong pro-jobs majority in both chambers, the Kansas Legislature successfully overrode a veto by Governor Laura Kelly on this important tax policy, which includes:
  - ▶ Decoupling 2017 federal corporate provisions from Kansas tax policy:
    - ▶ *IRC 951A, 250(a)(1)(B)(i)- Global Intangible Low-Tax Income (GILTI)*
    - ▶ *IRC section 163(j)- Interest limitation deductions*
    - ▶ *IRC 118- Capital contributions*
    - ▶ *IRC 162(r)- FDIC premiums*
  - ▶ Increasing state standard deductions by \$500 to \$3,500 for single filers, \$6,000 for single head of household, and \$8,000 for married filers filing jointly.
  - ▶ Reinstating the Small Business Expensing deduction
  - ▶ Adjusting the Net Operating Loss Carryforward to match federal indefinite carryforward on losses.
  - ▶ Reinstating the business meal expenditures exemption.
  - ▶ Establishing a minimum threshold for out-of-state marketplace facilitators in response to Wayfair court decision.
- ▶ Exempting Unemployment Insurance fraud victims from state income tax on UI benefits fraudulently paid using their personal information.
- ▶ Allowing individual income taxpayers to itemize on their state returns when taking federal standard deductions.
- ▶ Passed **Senate Bill 47** setting the **corporate filing deadline** one month after the federal deadline and allowing employers to withhold income taxes based on the state of the primary work location instead of the state in which employees are temporarily working remotely for tax years 2021 and 2022.

## TAXATION (cont.)

- ▶ Passed **Senate Bill 13** establishing the **Property Tax Truth in Taxation Law** to require a local governing body to notify the public of its intent to collect new property tax revenues above the previous year. The governing body must complete the “truth in taxation” hearing process and hold a public vote on the tax increase.
- ▶ Passed **House Bill 2104** reforming **property tax laws** related to the Kansas Board of Tax Appeals (BOTA), county appraisers, and valuation processes.
  - ▶ Clarifying counties carry burden of proof when taxpayers appeal their BOTA decision trial de novo for determination of classification or valuation of property.
  - ▶ Removing a person from the eligible appraisers list if he or she has been terminated from a county or district appraiser’s office.
  - ▶ Allowing BOTA to serve an order or notice through electronic communications.
  - ▶ Preventing BOTA from increasing valuations during an appeal.
  - ▶ Clarifying an aggrieved party may request a full and complete opinion after service of the decision, rather than “receiving” the decision.
  - ▶ Requiring appraisers follow Uniform Standards of Professional Appraiser Practice in property tax appraisals.
  - ▶ Requiring Kansas Real Estate Appraisal Board approve all education courses necessary to become a registered mass appraiser.
  - ▶ Amending who can be appointed as an appraiser based on professional qualifications.
- ▶ Passed **House Bill 2143** modifying **sales tax reporting thresholds**. Effective January 1, 2024, new sales tax liability thresholds set at:
  - ▶ Annual filings: Up to \$1,000
  - ▶ Quarterly filings: \$1,001 to \$5,000
  - ▶ Monthly filings: \$5,001 - \$49,999
  - ▶ \$50,000+: must pay for first 15 days on the 25th day of that month
- ▶ Passed **Senate Bill 65** amending the **High Performance Incentive Program** by removing required participation in KS Industrial Training and Retraining programs to qualify for HPIP and allowing the sell or transfer of up to 50% of HPIP credits.
- ▶ Passed **Senate Bill 66** amending the state’s **Angel Investor Tax Credit Program** by extending it to 2026, amending applicable definitions, removing certain restrictions, and increasing tax credit amounts and annual limits.



## HUMAN RESOURCES

### OUR POSITION

The Kansas Chamber supports policies that promote fairness and protect employer costs.

### THE CHALLENGE

The COVID-19 pandemic strained the state's unemployment benefits system. Much of the problems pointed to the outdated computer system utilized by Kansas Department of Labor (KDOL). Neglected maintenance led to hundreds of millions in fraudulent payments and thousands of Kansans having their identities stolen.

### OUR VICTORIES

- ▶ Passed **House Bill 2196** making comprehensive changes to the state's unemployment insurance system.
- ▶ Establishing a modernization council to recommend changes to the UI computer system and conduct an audit to determine amount of fraud during the pandemic.
- ▶ Requiring the KDOL Secretary ensure the IT modernization efforts include those identified by the council.
- ▶ Establishing new solvency rate tables that ensure UI tax contributions increase equitably among all employers when the trust fund needs replenished.
- ▶ Modifies threshold on the state unemployment rate to calculate duration of benefits. Minimum duration of 16 weeks now lasts until unemployment rate reaches 5% (previously 4.5%).
- ▶ Requiring an increased focus on a reemployment plan between KDOL and Kansas Dept. of Commerce that provides the information of anyone receiving UI benefits for more than three weeks to KDOC to match with employer openings.
- ▶ Requiring the KDOL secretary to develop procedures enabling employers to report when a UI claimant refuses to return to work if the job offer is suitable and comparable to the claimant's recent employment.
- ▶ Holds employers harmless for fraudulent charges on their accounts.
- ▶ Providing the UI trust fund up to \$500 million in federal COVID-19 relief for the fraudulent claims paid from it.

### SUCCESSFULLY DEFEATED:

- ▶ Defeated **Senate Bill 213** preventing employers from taking actions against employees who refuses to take any vaccine. The Chamber believe these decisions are best left to employers and their employees, not governing bodies.

## ENERGY

### OUR POSITION

The Kansas Chamber supports energy policies which promote market-driven solutions to reduce energy costs while maintaining a comprehensive and diverse portfolio of energy sources and technologies.

### THE CHALLENGE

Kansas has seen its national ranking dramatically fall from top 15 in the nation for energy costs to the mid-to-lower 30's since 2008.

### OUR VICTORIES

- ▶ Supported negotiations between ratepayers and utilities to ensure savings through securitization and closure of outdated utility assets as proposed in **House Bill 2072** are passed to ratepayers through lower electricity rates.
- ▶ Supported passage of **Senate Bill 86** which makes available \$20 million for low-interest loans from state idle funds to support wholesale gas customers impacted by the February winter weather event.

### SUCCESSFULLY DEFEATED:

- ▶ Defeated **Senate Bill 279** placing significant restrictions and regulations on the wind industry.

"Having a pro-business environment in Kansas is vital to our state. The Kansas Chamber's advocacy work at the Kansas Statehouse has benefited our company tremendously over these many years and has allowed us to stay focused on competing and growing within our industries. Because of their efforts, it has enabled us to continue to reinvest in our organization, employees, and community."

**Paula Landoll-Smith, Landoll Company**



"The Kansas Chamber is the tool that companies like ours use to stay informed of what's happening legislatively at both the state and federal levels. Our company is only one voice. As a member of the Kansas Chamber and uniting with other businesses, our voice becomes louder. When we're united, we can accomplish many things."

**Mark Eaton, Envision, Inc.**



## EDUCATION & WORKFORCE DEVELOPMENT

### OUR POSITION

The Kansas Chamber supports an excellent education system which produces a well-educated, well-trained Kansas workforce to meet the business needs of today and tomorrow.

### THE CHALLENGE

Recovery from the COVID-19 pandemic has exacerbated the need for skilled workers in the state as employers struggle to fill vacant jobs. Kansas must ease restrictions which create barriers to entry into our state's workforce.

### OUR VICTORIES

- ▶ Passed **House Bill 2066** expanding the state's **occupational licensing reciprocity** laws and simplifying the process for out-of-state individuals moving into Kansas to quickly obtain a professional license if they have an equivalent license and training from another state.
- ▶ Supported passage of **House Bill 2101** extending the state's **University Engineering Initiative**.
- ▶ Supported passage of **House Bill 2064**, establishing the **Promise Scholarship Act** for students who enter high-demand educational programs through a collaboration of Kansas Department of Commerce and the Kansas Board of Regents.
- ▶ Supported passage of **House Bill 2134** authorizing schools to pay tuition for qualifying high school students to attend a postsecondary educational institution to earn college credits.



"In order to deliver our promises to our members, Envista Credit Union relies on the Kansas Chamber to have our back, day in and day out, at the statehouse. Their diligent work trying to enhance the business environment in Kansas, making it the best place to do business, not only works to our benefit, but works to the benefit of every company that does business in our state."

**Tara Dimick, Envista Credit Union**

"As one of the largest contractors in the nation, Crossland Construction knows first-hand the value the Kansas Chamber brings each day during the legislative session. Our family and our 1500 employees depend on the Chamber to develop and advocate for policies that enhance the business climate in Kansas and create an environment that encourages business to grow and thrive."

**Ivan Crossland, Crossland Construction**



## COVID-19 ECONOMIC RECOVERY

### OUR POSITION

The Kansas Chamber worked with state leaders to assist in our recovery from the COVID-19 pandemic, and to support all businesses so they could continue to operate safely.

### THE CHALLENGE

Government restrictions impacted businesses' operations and forced many to close and lay off the workers. As we come out of pandemic, employers struggle to find skilled workers to fill vacant jobs. Liability concerns and access to capital also have been expressed.

### OUR VICTORIES

- ▶ Passed **Senate Bill 40** making comprehensive reforms to the **Kansas Emergency Management Act**.
- ▶ Passed **Senate Bill 283** extending business **COVID-19 liability protections** to March 2022.
- ▶ Supported passage of **Senate Bill 15** enacting the **Kansas Economic Recovery Loan Deposit Program**. Led by the banking industry, this program will utilize state idle funds/ investments to provide low-interest loans for Kansas businesses.
- ▶ Passed **Senate Bill 273** establishing the **COVID-19 Small Business Relief Fund** to reimburse small businesses with 50 or fewer employees forced to close during the pandemic. Unfortunately, Governor Kelly vetoed the bill, costing impacted businesses between \$500-\$600 million in reimbursements.



HISTORIC VICTORIES

2019

- ▶ Passed law to allow Kansas corporations and insurance companies to employ physicians to provide care to their employees, dependents or enrollees.
- ▶ Removed restrictions on small and medium sized businesses that prohibited them from joining more affordable Association Healthcare Plans (AHPs).

2018

- ▶ Established stronger guidelines for government agencies to follow when conducting economic impact statements on the cost to Kansas businesses when adopting rules and regulations.

2017

- ▶ Opposed efforts to subject custom computer software, towing services, non-residential custodial cleaning, and other services to sales tax.
- ▶ Protected against changes to PEAK and HPIP economic development programs.

2016

- ▶ Passed property tax reform which increases fairness of the property tax valuation and appeals process.
- ▶ Passed performance-based budgeting requirement, utilizing outcome measures to evaluate state agency program effectiveness.

2015

- ▶ Passed Unemployment Insurance reform, switching Kansas from an “arrayed” system to a “fixed” system to restore fairness and tax employers according to their experience and usage of the UI trust fund.
- ▶ Led efforts to craft compromise with the wind coalition for the repeal of the renewable energy mandate. Mandate replaced with voluntary goal of 20% renewable energy by 2020 and new wind projects' property tax exemptions now limited to 10 years.

OTHER NOTABLE VICTORIES

- 2013:** Passed legislation prohibiting local units of government from requiring paid leave and paid sick leave.
- 2011:** Led coalition to overhaul work comp system for first time in nearly 20 years.
- 2011:** Passed expensing of capital investments. Kansas first state in nation allowing this.
- 2009:** Passed Promoting Employment Across Kansas Act (PEAK).
- 2007:** Phased out the franchise tax over three years.
- 2006:** Repealed the business machinery & equipment property tax.
- 2005:** Phased out estate tax over five years.

OUR TEAM



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Vice President of Government Affairs



Aaron Miller  
Vice President of Investor Relations



Jennifer Baysinger  
Vice President of Political Affairs



Sherriene Jones-Sontag  
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Bryan Frye  
Sr. Director of Investor Relations



Jessalyn Wilson  
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## AFFILIATE ORGANIZATIONS

Kansas Chamber Political Action Committee  
Kansas Manufacturing Council  
Leadership Kansas  
Kansas Retail Council  
State Affiliate of Ntnl. Assoc. of Manufacturers (NAM)