



Laws change. Your focus shouldn't.

Running a business is challenging enough. That's why the Kansas Chamber stands steadfast for businesses, proudly serving as their voice in Topeka.

Members support a better business environment in Kansas, gaining information and connections to help their companies thrive.

Chamber members keep Kansas working.



kansaschamber.org

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2024 CAPITOL GAINS

ENERGY ©

THE POSITION

The Kansas Chamber supports efforts to promote market-driven solutions to reduce energy costs and maintain a comprehensive energy policy that balances a diverse portfolio of energy sources and technologies.

THE CHALLENGE

As Kansas has become a regional outlier for high electricity costs, economic development opportunities have led to a rising demand for increased energy capacity in the state. This growing demand should help lower rates for everyone as more users enter the marketplace. The state must protect generation assets without risking harm to ratepayers.

THE VICTORIES

- ▶ Passed House Bill 2527 to establish cost recovery mechanisms for economic development energy projects that add capacity through new assets. The new law also prohibits the Kansas Corporation Commission from approving retirement of an electric generation unit unless:
 - The utility can demonstrate that the public utility would be able to meet current and anticipated future resource adequacy requirements; and
 - The abandonment or retirement of the generation unit will not harm ratepayers or decrease the utility's regional rate competitiveness.

The KCC also must submit an annual report to the Kansas Legislature that includes:

- The number of unit retirement requests in the state;
- Capacity of each requested unit:
- Whether the KCC approved or denied the request;
- The impact of any KCC-approved retirement on:
 - Generation capacity by fuel type
 - Required capacity reserve margins for the utility within the state
 - The utility's need for capacity additions or expansions at new or existing facilities as a result of a unit's retirement; and
 - The utility's need for additional power or capacity reserve arrangements.

Tracking what is happening with Kansas Legislature is essential to me as a business owner and a Kansan. Therefore, I gladly support the Kansas Chamber, knowing they work on behalf of business owners to ensure policymakers understand the impact of their decisions on both individuals Chief Operating Officer and business owners."

HeatherJantz



TAXATION

THE POSITION

The Kansas Chamber supports policies that 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

State spending has increased 30% in the last three years. State ending balances hit a new record of \$2.7 billion. Kansas can afford tax reform. Even though the Kansas Legislature continued to focus on providing tax relief to Kansans, Kansas Governor Laura Kelly vetoed every tax reform bill sent to her desk.

Challenging dynamics in the Kansas Senate have made an override impossible. Two Republican state senators chose to spite Senate Leadership and prevented veto overrides that would make tax cuts law.

THE VICTORIES

- ▶ Passed **Senate Bill 37** to provide income, sales, and property tax relief. *Vetoed by Governor Kelly after Kansas Legislature adjourned.*
- ▶ Passed House Bill 2036 to provide tax relief for income, sales, and property taxes. Vetoed by Governor Kelly, Kansas Legislature failed to override.
- ▶ Passed House Bill 2098 to provide a machinery and equipment sales tax exemption for telecommunication and internet services.
 - Kansas Legislature overrode Governor Kelly's veto.
- ▶ Passed **House Bill 2096** to provide rebate property tax relief for fitness centers, day care facilities, and restaurants that compete against a similar business owned by the government. *Vetoed by Governor Kelly after Kansas Legislature adjourned.*
- ▶ Passed House Bill 2284 to provide income, sales, and property tax relief. Vetoed by Governor Kelly, Kansas Legislature failed to override.
- ▶ Passed Senate Bill 410 to avoid double taxation of income on pass through entity owners. Known as the SALT Parity Act, the bill modifies withholding tax penalties from the current 15% penalty to:
 - 2% if 1-5 days late
 - 5% if 6-15 days late
 - 10% if more than 15 days late
 - 15% if more than 15 days late and Kansas Department of Revenue notified the taxpayer but tax was not remitted within 10 days of notification.

HUMAN RESOURCES



THE POSITION

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

THE CHALLENGE

Kansas must maintain a fair balance on employer and employee interests through effective policies without harmful mandates.

THE VICTORIES

▶ Passed Senate Bill 430 to reform workers compensation without opposition. The bill retains prior reforms while adding administrative updates and increased compensation caps for injured workers.

New provisions include:

- Death Benefit Increased from \$300,000 to \$500,000 with provisions for dependent children up to age 18, or 23 if in school.
- Permanent Total Disability (PTD) increased from \$155,000 to \$400,000 requiring at least 10% permanent partial disability (PPD) and proof of being unemployable.
- Permanent Partial Disability (PPD) increased from \$130,000 to \$225,000.
- Functional Impairment increased from \$75,000 to \$100,000.
- Cap Adjustments are fixed until July 1, 2027, then annually adjusted based on the state's average weekly wage.
- Future Medical
 - Non-invasive Cases: Treating physician's opinion is decisive unless clearly refuted. Invasive Cases: No future medical presumed. Claimant must prove the need.
- Post Award Medical and Attorney's Fees only allowed under K.S.A. 44-510k, with strict evidence requirements for attorney fees.
- Court-Ordered Independent Medical Examinations An administrative law judge can order one independent medical examination without the consent of both parties involved. This examination must occur before the prehearing settlement conference and cannot be used to determine disability ratings, work restrictions, or to form opinions on permanent total disability.
- Medical Records can now be admitted as evidence without taking a deposition from the health care provider.
- Injury Notice must be given within 30 days of the accident or 20 days from the last employment date, whichever comes first.

▶ Passed **Substitute for House Bill 2570** to enact unemployment insurance reform. The law provides an estimated \$100 million in tax savings for 97% of Kansas employers starting in Calendar Year (CY) 2025. By 2028, every employer in Kansas can achieve a positive rating and full control over their unemployment insurance tax rates with effective claims management.

New provisions include:

- Taxable wage base (TWB) and debt write-off remains at \$14,000 for CY 2025. Starting CY 2026, the TWB will adjust annually based on the state's average wage.
- In August 2024, 94% of uncollectible negative debt, estimated at \$650 million, will be written off.
- Temporary Unemployment Benefit reforms include provisions for all rated employers to receive eight weeks of benefits unconditionally. Specific industries like highway and bridge contractors get an additional eight weeks for weather-related delays, totaling 16 weeks.
- Employers can report job interview no-shows to the Kansas Department of Labor.



It ensures our voices are heard on issues and policies critical to our operations.

We appreciate the work the Chamber does on behalf of the state's business community to make Kansas a great state to do business."



Tracy StreeterBusiness Development Manager
Burns & McDonnell

2024 CAPITOL GAINS

REGULATORY AFFAIRS



THE POSITION

The Kansas Chamber supports a regulatory environment that promotes a healthy business climate and provides certainty.

THE CHALLENGE

Kansas has made great strides in recent years improving the regulatory climate of state agencies, but some agencies often were negligent in properly completing economic impact statements that show the actual cost of regulations on businesses and Kansans.

THE VICTORIES

- ▶ Passed House Bill 2648 to provide stronger legislative oversight of rules and regulations pursued by state agencies. Known as the REINS Act, the new law includes:
 - Any rule or regulation with an estimated impact greater than \$1 million in the first five years of implementation must be passed by the Kansas Legislature as a bill in order to go into effect.
 - The Kansas Director of the Budget will be required to conduct independent analysis to determine if the agency has complied with the requirements for economic impact statements and to review costs reasonably expected to be incurred following adoption of a rule or regulation.
 - If the economic impact statement is found to be inaccurate, the budget director can disapprove the regulation. The proposed regulation is denied until the agency submits an accurate economic impact statement and the Legislature ratifies the regulation. Kansas Legislature overrode Governor Kelly's veto.
- ▶ Passed House Bill 2247 to eliminate the state's law preventing retailers from passing on credit card fees through a surcharge. Retailers must disclose the surcharge either at point of entry or point of sale.
- ▶ Passed House Bill 2144 to establish the crime of organized retail crime in the Kansas criminal code. Introduced by the Kansas Attorney General, the issue of organized retail crime has been an important one for the Kansas Retail Council. The crime of organized retail crime is committing one of the following acts with the intent to permanently deprive the owner of the possession, use, or benefit of the owner's property or services:
 - Acting in concert with others to receive, purchase, sell, or possess merchandise with a total retail market value of \$5,000 or more within a 12-month period.
 - Taking merchandise with an aggregate retail market value of \$5,000 or more from one or more retailers within a 12-month period, as part of an organized plan to commit theft.
 - Recruiting, coordinating, organizing, supervising, directing, managing, or financing one or more other persons to undertake any of the above-mentioned actions.

LEGAL REFORM 母

THE POSITION

The Kansas Chamber supports efforts to improve the legal climate in Kansas by reducing incentives for litigation that disproportionately award plaintiffs.

THE CHALLENGE

The Kansas legal climate has eroded through judicial activism, including removal of caps on non-economic damages and other decisions, which expand liability of Kansas businesses.

THE VICTORIES

▶ Passed House Bill 2604 to increase the threshold for small claims court from \$4,000 to \$10,000, benefiting small businesses seeking relief without the use of an attorney.

EDUCATION & 🗈 WORKFORCE DEVELOPMENT

THE POSITION

The Kansas Chamber supports an excellent education system that produces a highly-educated, well-trained workforce for tomorrow's business needs.

THE CHALLENGE

Kansas must focus on attracting employees and employers into the state through sound public policy, and a competitive tax climate. The state needs to ensure students in Kansas post-secondary, technical programs, and regents institutions graduate with the skills necessary to be productive employees and entrepreneurs for years to come.

THE VICTORIES

- ▶ Passed Senate Bill 500 to reduce the number of crimes that could lead to the suspension of a driver's license for failure to pay non-moving traffic violations.
- ▶ Passed House Bill 2745 to waive occupational license fees for military spouses. Introduced by Chamber partner Wichita Regional Chamber of Commerce, the bill helps military families by exempting spouses from fees charged by licensing boards.

HISTORIC VICTORIES &

2023

- ► Passed the Registered Apprenticeship Tax Credit.
- ▶ Passed protections against abusive litigation under the Americans with Disabilities Act (ADA).
- Prevented increases of benefit caps in workers compensation claims without reforms sought by employers.

2022

- ► Passed tax laws containing important provisions for the business community.
- Changed sales tax regulations for retailers and enacted COVID-19 retail storefront property tax relief.
- Passed follow up to 2021's comprehensive unemployment insurance reform.
- Passed law allowing Advanced Practice Registered Nurses to practice & prescribe without agreement signed by a physician.

2020/2021

 Passed several laws related to the Kansas COVID-19 Pandemic Response, including

- business liability protection and prohibiting state government from closing businesses.
- ▶ Passed tax legislation that removed federal corporate provisions from Kansas tax law, reestablished the small business expensing deduction, and aligned the NOL standard with the federal indefinites carryforward on losses.

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 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 Ul trust fund.
- Led compromise to repeal the renewable energy mandate.

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 in three years.
- **2006**: Repealed the business machinery & equipment property tax.
- 2005: Phased out estate tax in five years.

YOUR TEAM



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AARON MILLERSVP, Kansas Chamber & Executive
Director, Education Foundation



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AFFILIATE ORGANIZATIONS

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

Kansas Military and Veteran Affairs Council American Free Enterprise Chamber of Commerce Kansas Legal Reform Center