



2025 Kansas Tourism Conference Legislative Update

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2025 Kansas Legislature

- Senate Republican Majority 31-9
- House Republican majority 92-33
- Senate Leadership:
 - President Ty Masterson, Wichita
 - Senate Majority Leaders Chase Blasi, Wichita
 - Senate Vice President Tim Shallenberger, Baxter Spring
 - Senate Minority Leader Dinah Sykes, Lenexa re-elected
- House Leadership
 - Speaker Dan Hawkins, Wichita
 - Majority Leader Chris Croft, Overland Park
 - Speaker Pro Tem Blake Carpenter, Wichita
 - New House Minority Leader Brandon Woodard, Lenexa

A wide-angle photograph of the Iowa State Capitol building in Des Moines, Iowa. The building is a large, light-colored stone structure with a prominent central dome topped by a statue. The facade features a series of tall columns. In the foreground, there is a well-maintained green lawn with a paved walkway and a small, rectangular stone structure. To the left, a large tree with green leaves is partially visible. In the background to the right, a modern glass-walled building is visible. The sky is blue with some light clouds. The text "Passed Bills 2025" is overlaid in the center of the image in a white, sans-serif font.

Passed Bills 2025

2025 Budget Process

- Historically Governor has set the base budget and legislature amends the Governor's budget
- Legislature set new process in 2025 by setting the base budget and considered amendments to their base budget by the administration and advocates
- House the lead on the Budget
- Expedited session made the process move quickly and limited time to advocate for key budget items

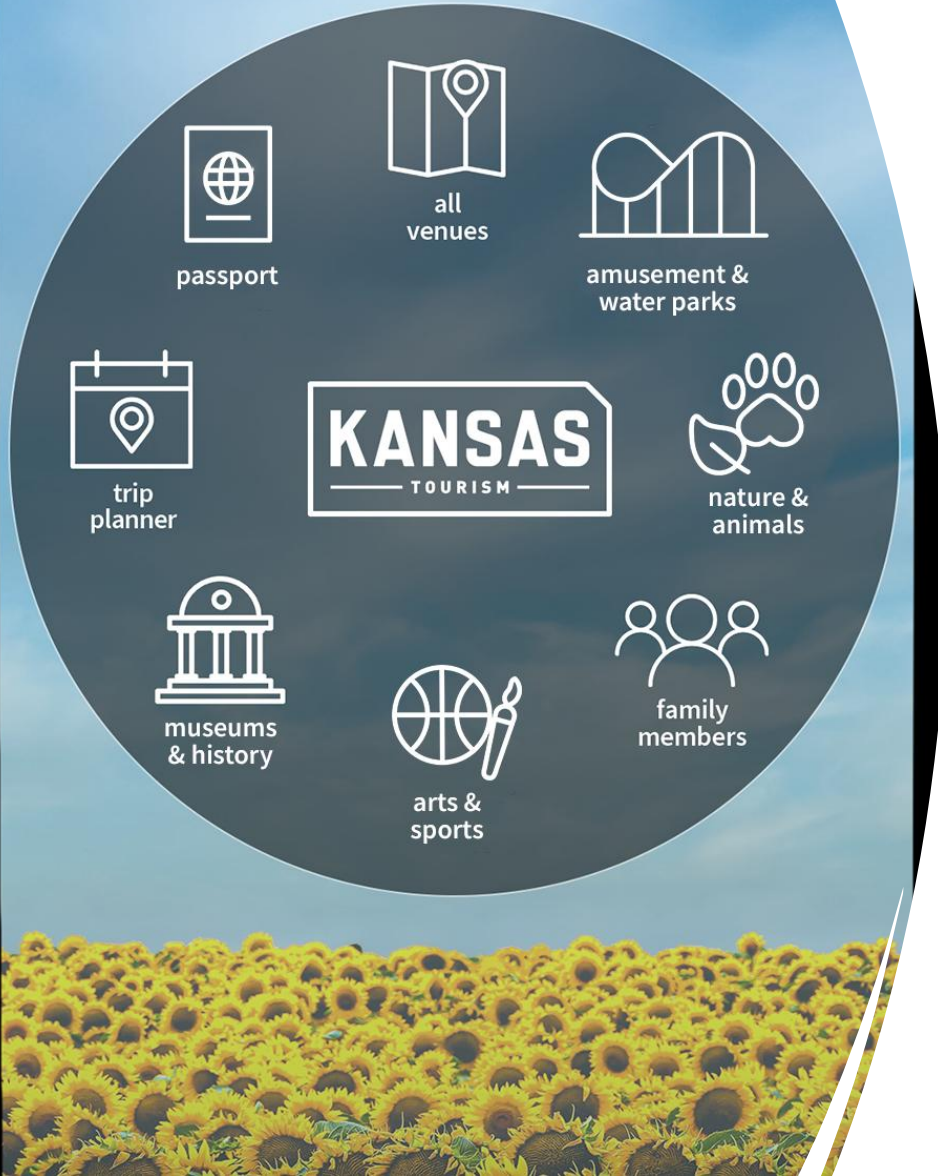


Budget Bill – SB 125

- Governor *line-item vetoed* 31 budget items
- FY 2026 **\$10.64 billion** state general fund budget (\$1.47 billion ALL funds less than FY '25)
- **1.5% across-the-board cut** for agencies
- Despite reduced spending, budget **projections show deficits** in the out years
 - \$461.5 million by 2028
 - \$877.2 million by 2029
 - Rainy-day fund of about \$1.8 billion



SUNFLOWER SUMMER



2025 Kansas Tourism Budget & Sunflower Summer Program

- **Kansas Tourism Budget**

- SB 125 funded at \$4,900,000 in FY 26
- This is a \$24,398 reduction from FY25

- **Sunflower Summer Program**

- Funded at \$3 million for FY 26
- Summer of 2025 Program begin AFTER July 1, 2025, and will be for a shortened timeframe
- Prohibited grants for non-admission venues in counties with a population of 15,000 or less
- Modified the number of adult admissions that can be reimbursed

Budget Highlights

- \$73,000 from EDIF to continue preparations for the **Semiquincentennial**, including 1.0 FTE position for FY '26
- \$1.5 million EDIF funding for **HEAL grants** within the Office of Rural Prosperity for FY '26
- \$1.1 million for FY '26 for Office of **Broadband Development** from the Broadband portion of the State Transportation IKE Plan
- \$1 million from EDIF for the **Kansas Arts Commission** for FY '26 and add language that no more than \$600,000 be awarded matching grant funds in counties with a population of 85,000 or less and \$400,000 be awarded to counties with a population of more than 85,000 for FY '26
- \$1 million from EDIF for **Rural Opportunity Zones (ROZ)** for FY '26 and add language to provide funding only for counties with a population of 15,000 or less
- \$106.3 million, including \$40.0 million SGF, to provide **salary adjustments to state employees** based on the Department of Administration Market Survey





Continuous Budget-SB 14

- Establishes a system of continuing appropriation where the funds carry forward into the next fiscal year unless the Legislature adjusts them
- Allows Sect of Admin authority to lapse executive branch funding when unnecessary and adjust state funds used to match federal funds declines
- Sunsets July 1, 2030
- Questions if it is constitutional
- Governor Vetoed and Legislature Overrode

HB 2037 Travel & Tourism Council



- Signed by Governor Kelly
- Expand Council from 17 to 20 members by adding three members:
 - Governor representing the National Independent Venue
 - Association, the Kansas Museums Association
 - Kansas Sampler Foundation
- Reduce minimum required amount of grants made under the Program to be allocated to public or not-for-profit entities from 75% to 50%
- Removed the individual entity grant allocation limit of 20%

Local Economic Development Reporting-HB 2304

- Must report local economic development programs to the KDC transparency database
- Local government includes:
 - Any city, county, or unified government, or any subdivision thereof; and
 - Any instrumentality thereof established for the purpose of economic development
- Recipient of economic development is any enterprise that is the original applicant for and receives proceeds from an economic development incentive program.

Required reporting includes:

- CID's
- TIF's
- Business improvement districts
- Self-supported municipal improvement districts
- Neighborhood revitalization act
- Downtown redevelopment act
- Transportation development districts
- Public improvement districts
- Industrial development bonds, and
- Any other economic development incentive



Economic Development

Star Bonds Proviso FY 26-SB 125

- One-year provision in budget bill
- Renewal still needed for 2026
- Mall STAR Bond projects-Urban and Rural
- Requires projects to have
 - 30% of visitors from a distance of at least 100 miles
 - 20% of visitors from outside the state,
 - Rural development projects (including rural malls) need 20% of visitors from a distance of at least 100 miles and no out of state visitor requirement.
- Requiring a minimum of \$50 million in capital investment and \$50 million in sales
- Allows rural development project in a county with a population under 100,000 in the Kansas City or Wichita metropolitan statistical areas, of regional importance, with capital investment of at least \$3 million for FY '26
- Funds the STAR Bonds Food Sales Tax Revenue Replacement Fund for cities with a population of 30,000 or less



Tax Credits for the Preservation of Historic Structures- SB 227



- Increases tax credit amounts allowed for preservation of historic structures and makes changes to the conditions under which different credit amounts are allowed.

Kansas Immigration Enforcement Agreement

- **SCR 1602** -Encouraging the governor to fully cooperate with federal enforcement of immigration laws
- KBI and AG entered into a voluntary agreement on immigration enforcement
 - ✓ Limited number of KBI agents will receive ICE training that authorizes the agents to arrest immigrants who are in the country illegally
 - ✓ Serve and execute warrants for some immigration violations
 - ✓ Issue immigration detainers
- Kansas was one of the first states in the nation to enter such agreement



Noncitizens Drivers License & Voting- HB 2020

- Director of Vehicles must provide quarterly listing of all permanent and temporary driver's licenses issued to non-citizens to Secretary of State
- List must contain names, addresses, phone numbers, Social Security numbers, alien registration numbers, dates of birth, temporary driver's license numbers, and the expiration dates of such licenses
- Secretary must compare list with voter registration rolls
- Secretary must direct county election officers to remove names of any non-citizens appearing on voter registration rolls within five business days
- County election officer must notify person of the removal and explain reinstatement to the voter registration rolls once proof of citizenship is provided



Eliminate Low Income Housing Tax Credit- HB 2289

- Amends the Kansas Affordable Housing Tax Credit & Kansas Housing Investor Tax Credit programs
- Discontinues the 4% Kansas Affordable Housing Tax Credit match after 2025
- Kansas Housing Investor Tax Credit
 - Limits to the 9% match for qualified developments federal credit
 - Capped at \$8.8 million annually beginning in 2026
- Total amount of credits awarded for either match amount is limited to \$25 million for the 2025 plan year





Additional 2025 Passed Bills

Income and Privilege Tax Reductions- SB 269

- Future income tax & privilege tax rate decreases contingent on:
 - Exceeding revenue estimates and
 - Retaining a certain amount in the budget stabilization fund
- Goal to reach a single 4% income tax rate
- Reduction determined based on the preceding fiscal year's total SGF tax receipts that exceed the 2024 amount (once adjusted for inflation)
- Determination will be made by August 15 annually
- No reductions in years where the amount of money in the Budget Stabilization Fund is less than 15% of the prior fiscal year's SGF tax revenues



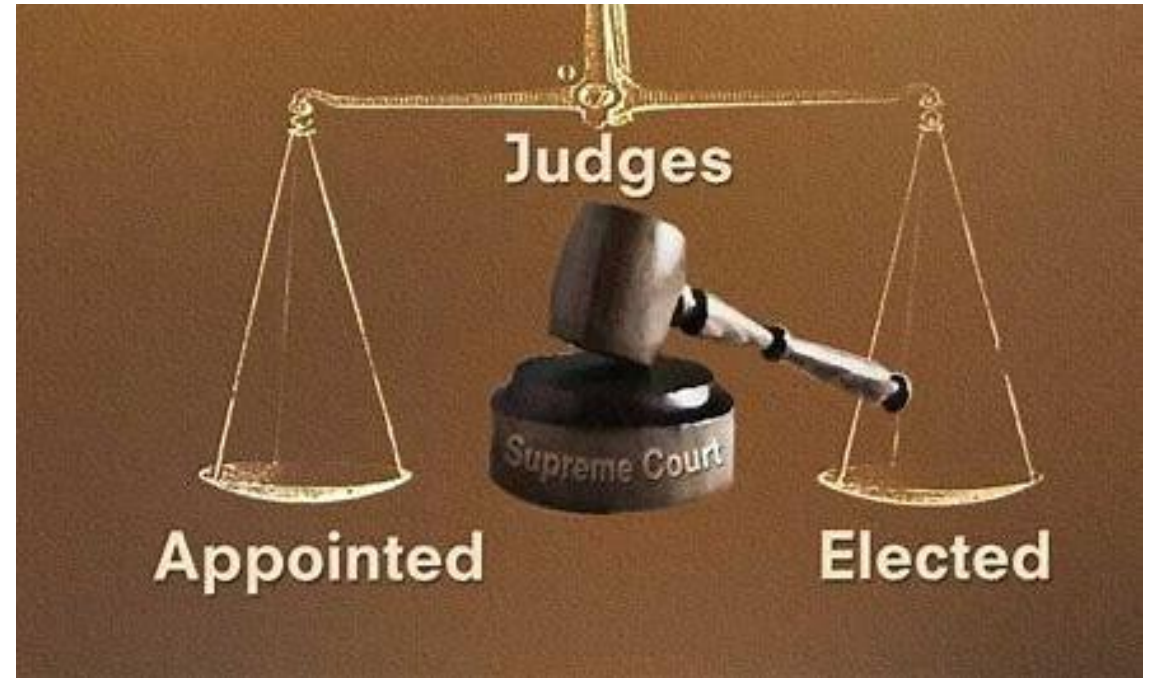
Single Factor Apportionment- HB 2231

- In tax year 2027, corporations with multi-state income will apportion for Kansas income tax purposes based on the share of the corporation's total sales/receipts occurring in Kansas
 - ✓ Prior law required using a formula incorporating sales, property, and payroll factors
 - ✓ Manufacturers of liquor will continue to have income apportioned using the three-factor formula
- Reduction of corporate tax rate in tax year 2029 based upon the amount corporation income tax receipts in FY 2028 that exceed FY 2027



Election of Supreme Court Justices-SCR 1611

- **Special election set for August 4, 2026**
- Voters will decide if Supreme Court Justices should be appointed or elected
- Requires 50% of the public vote to pass



Data Centers-SB 98

Sales tax exemption for firms who commit to:

- Making an aggregate investment of at least \$250 million in a qualified data center within 5 calendar years of beginning operations
- **Begin construction of the project within 10 years** of the agreement with the Secretary
- Adhering to practices that will conserve, reuse, and replace water
- **Purchasing electricity for 10 years** from the public utility providing retail electric service

Create and maintain at least **20 new jobs within 2 calendar years** of beginning operations

Electricity is not exempt



- **HB 2045-Establishes Kansas Office of Early Childhood**
- Updates laws regulating **childcare centers and in home childcare**
- Updates staffing & professional development training requirements
- Transfers KDHE statutes related to **Lexie's Law** to the Office of Early Childhood, including:
 - Inspections of all childcare facilities
 - Licensing
 - Health, safety, and supervision regulations
- Some concern if parents submit a written statement that immunizations violate a sincerely held religious belief immunization requirements will be waived

Countries of Concern-SB 9

- Creates **Kansas Land and Military Installation Protection Act**
- Prohibits government agencies from **purchasing/acquiring drones** with critical components produced in a country of concern
- Foreign non-residential land ownership from countries of concern within **100 miles of any military installation** located in Kansas must register with AG within 30 days or forced to divest
- AG will report those registered with **CIFUS & KS state leadership**



HB 2342
Dept. of
Commerce
Background
Check





2026 Issues

Bills Alive in 2026

2026 Session

- 2025 is the first year of a two-year biennium
- All bills that were not passed or killed will remain alive during the 2026 Session
- Legislative Leadership and Committee Assignments will remain the same unless a legislator resigns
- Several Resignations:
 - Sen JR Claeys-R, Salina to take a job with administration
 - Rep. Schott Hill-R, Salina replaced by Greg Wilson
 - Rep Patrick Penn-R, Wichita replaced by Steve Brunk
 - Rep Mike Thompson-R, Bonner Springs replaced by Carolyn Caiharr
 - Rep Carrie Barth-R, Baldwin City replaced by

As Amended by Senate Committee

Session of 2025

SENATE BILL No. 1

By Senator Titus

1-3

1 AN ACT exempting the state of Kansas from daylight saving time;
2 providing for moving to permanent daylight saving time upon an act of
3 Congress requiring such move.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) Commencing after 2 o'clock antemeridian on the first
7 Sunday of November ~~of 2025~~ *following the effective date of this act*, the
8 state of Kansas shall not observe daylight saving time and shall be exempt
9 from the daylight saving time provisions of 15 U.S.C. § 260a(a).

10 (b) This section shall not affect the standard time established by
11 United States law governing the movements of common carriers engaged
12 in interstate commerce.

13 (c) This section shall not affect the following times as may be
14 established by a statute, order, rule or regulation of the United States or an
15 agency thereof:

16 (1) The time for performance of an act by an officer or department of
17 the United States;

18 (2) the time within which any rights shall accrue or determine; or

19 (3) the time within which any act shall or shall not be performed by
20 any person subject to the jurisdiction of the United States.

21 (d) This section shall have no force and effect from and after the date
22 of publication in the Kansas register of the notice prescribed in section-2.3,
23 and amendments thereto.

24 *Sec. 2. The secretary of state shall monitor the enactment of any*
25 *law by the state of Missouri that provides that such state shall be exempt*
26 *from the daylight saving time provisions of 15 U.S.C. § 260a(a). If such*
27 *law is enacted, the secretary shall cause a notice of such enactment to be*
28 *published in the Kansas register at the time of the next regular*
29 *publication of the Kansas register following the date such law becomes*
30 *effective.*

31 *Sec.-2. 3.* (a) The secretary of state shall monitor the enactment of any
32 federal law that requires the year-round observation of central daylight
33 saving time. If such law is enacted, the secretary shall cause a notice of
34 such enactment to be published in the Kansas register at the time of the
35 next regular publication of the Kansas register following the date such law
36 becomes effective.

2026 Session Budget

- Legislature take lead
- Meetings in the fall to develop proposed budget for January
- Anticipate cut \$200 million from FY 2027 Budget
- School Finance Rewrite set for 2027



HB 2346-Kansas Sports Tourism Grant Program



- Create \$1.5 million grant program to support Kansas Sports Tourism events to attract high quality sports events that generate significant economic impact
- Create Oversight Committee in collaboration with the Secretary of Commerce will review grant applications and award.
- Local Match Required



SB 52 Kansas Film Industry Tax Credit

- Creates the Kansas Film & Digital Media Production Development Act
- \$1 million Sales Tax Exemption per qualifying taxpayer
- 30% Nonrefundable Income Tax Credit for film production & activities
- Speaker of the House not supportive
- Possible Action in 2026

ASTRA Fund

- Creates a fund to incentivize local governments to not exceed a cap
 - Continues the Revenue Neutral Rate
 - Establishes a cap that includes new construction and whichever is lower:
 - 3%; or
 - Midwest CPI plus voter approved bonding
 - The cap can be exceeded with 80%
 - The bill passed the House but was not taken up by the Senate





Constitutional Amendment-SCR 1603

- Caps property tax valuation increases at a 6-year rolling average
- Alternative to the Senate passed SCR that would cap property tax valuation increases at 3%
- Was not taken up by either the House or Senate
- Needs 2/3 majority in both chambers to be added to the ballot

September 2025 Revenue Numbers

- September revenue collections were approximately \$1.00 billion, which is \$3.4 million or 0.3% below the estimates for the month
- This reflects a 1.9% decrease from the same period in September 2024
- Breaks streak of revenues above estimates
- Concern growing for out-year budgets





ELECTIONS
2026

2026
Statewide
Elections



2026 Republican Major Candidates- Governor's Race

- Scott Schwab, Olathe
- Jeff Colyer, Overland Park
- Vicki Schmidt, Topeka
- Ty Masterson, Andover



2026 Democrat Major Candidates- Governor's Race

- Cindy Holscher,
Overland Park
- Eathan Corson,
Prairie Village



2026 Secretary of State Race

- 2 Republicans in Race To Date
- Ken Rahjes, Arga
- Pat Proctor, Leavenworth





Other Statewide Races

- Attorney General
 - Kris Kobach, (R) Incumbent
 - Chris Mann, (D)
- Insurance Commissioner
 - Dan Hawkins, Wichita
 - Current Speaker of the House





QUESTIONS?