

# 2025 CAPITOL GAINS

#### TABLE OF CONTENTS

	From the President	2
Ü	Energy	3
	Taxation	4
	Education & Workforce Development	5
	Regulatory Affairs	6
4	Legal Reform	7
0	Successfully Defeated	8
	Kansas Chamber Pac	8
恩	Historic Victories	9
	Your Chamber Team 10	0
	Board of Directors	11



## FROM THE PRESIDENT



Dear Kansas Chamber members.

While uncertainty caused by tariffs has increased the past few months, I'd like to take this time to share the positive news coming out of Topeka following the 2025 legislative session. Inside this Capitol Gains document, you will see the great work of our Government Affairs team passing significant pro-business policies.

But that work would not have been possible without an incredible election outcome, thanks in large part to our Vice President of Political Affairs, Christie Kriegshauser,

who had her ear on the pulse of Kansas voters who were concerned about the cost of living. Unlike many red states facing more of a populist wave, Christie helped recruit and elect business-minded candidates who truly want to keep government out of the way and are focused on finding efficiencies, lowering taxes, and lessening regulatory barriers. While Governor Kelly's PAC alone spent \$2 million in 10 races supporting opponents of our endorsed candidates, the Chamber PAC successfully defended each of those seats and grew the pro-business, veto-proof majority by three seats in the House and two in the Senate. To all who contributed to the Chamber PAC's success, THANK YOU! This would not have been possible without your support, and I encourage all of our members to contribute to the PAC. As the saying goes, "If you're not at the table, you're on the menu." These dollars help protect your business from harmful policies that threaten your ability to succeed.

The 2025 legislative session was a record year for the Kansas Chamber, passing income tax reform that will, over time through growth in receipts, lower personal and corporate income tax rates to a single rate of 4%. The Chamber passed additional health care compacts to address professional licensure reciprocity. After several years of effort, Kansas will now require disclosure of third-party litigation funders—those who invest in lawsuits. Your government affairs team—Eric Stafford and William Wilk—continues to challenge lawmakers on the long-term vision for Kansas and push for a vibrant environment where businesses and individuals can thrive.

The Kansas Chamber's legislative agenda is member-driven. We take your feedback to advocate for free-market, pro-growth policies that support profitability—regardless of company size. We are proud to advocate on your behalf, and our success would not be possible without your continued investment in the Chamber. Our strong voice at the Statehouse exists because of you.

If there is anything you need, please do not hesitate to reach out to any of us, and thank you again for your trust in our ability to represent you effectively in Topeka.

Best wishes.

Acar

Alan Cobb Kansas Chamber President & CEO

## 2025 CAPITOL GAINS

## ENERGY ©

#### **OUR 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

Kansas continues to face high electricity costs compared to surrounding states. At the same time, growing energy demand—driven by economic development—offers an opportunity to reduce rates as more users join the grid. The state must protect its energy generation capacity without placing additional burdens on ratepayers.

#### **OUR VICTORIES**

- ▶ Passed **House Bill 2107**, which establishes liability guidelines for utilities in wildfire-related damage cases.
  - Claims for economic loss must be filed within two years of the fire event.
  - The timeline for personal injury claims starts when the injury is reasonably ascertainable, but no later than 10 years after the event.
  - The KCC is tasked with developing training, risk assessments, and potentially fire-response protocols for utilities.
- ▶ Passed **House Bill 2172**, establishing a water task force to provide recommendations on the state's long-term water plan.
  - The task force will consist of 16 members consisting of Agriculture Committee members and appointees made by the leadership of the House and Senate Chambers.
  - The task force will evaluate threats to water quality and supply, including effects on future economic growth and population stability.



"Policy and regulation decisions made in Topeka and Washington, DC can greatly impact the Kansas business community. But we don't have time to track every piece of legislation being considered. Thanks to the Kansas Chamber, I know the voice of business leaders will be heard and government decision makers will understand the impact of their choices."

#### KARMA MASON

iSi Environmental | Kansas Chamber Board President

## **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

After struggling to pass substantive income tax reform the past two years due to a problematic Senate, the 2024 elections brought us a larger Republican majority, but also a more cohesive majority focused on limiting government growth and providing tax relief to Kansans.

#### **OUR VICTORIES**

- ▶ The Legislature overrode Governor Kelly's veto of **Senate Bill 269**, which uses income tax revenue growth to gradually reduce personal and corporate tax rates to a single rate of 4%.
  - A growth-trigger model is tied to 2024 income tax receipts (\$5.9 billion), allowing collections to rise only by the rate of inflation (e.g., 2.1%).
  - Revenue growth above inflation must be used to reduce personal income tax rates until they reach 4%.
  - Once achieved, the trigger applies to corporate income and privilege taxes, lowering them to 4%.
  - If revenue drops below the baseline plus inflation, reductions pause until growth resumes.
  - Peductions also pause if the Budget Stabilization Fund (the state's rainy day fund) falls below 15% of State General Fund (SGF) receipts.
  - This positions Kansas to better compete with neighboring states on tax policy.
  - The Tax Foundation estimates that under this bill, Kansas would rank 17th overall, 10th for individual, and 11th for corporate taxes—up from current rankings of 25th, 27th, and 27th.
- ▶ Passed **House Bill 2231**, which transitions Kansas to a single-sales-factor apportionment formula for corporate income taxes.
  - Currently, Kansas uses a three-factor formula based on property, payroll, and sales. The shift to a sales-only formula will take effect in 2027.
  - This move provides long-term certainty and protection for businesses that would benefit from the change, even though immediate relief is delayed.
- ▶ Passed **House Bill 2125**, which clarifies that no filing fee may be charged by the Board of Tax Appeals for appeals related to previous tax years that are still pending.
  - The clarification adds that if a case is pending before the Board of Tax Appeals and a new appeal is filed for an additional year, no filing fee can be charged for a new filing.

PAGE 3

EDUCATION & 🔊

# "We know our investment in the Kansas Chamber is worth every penny. As a world-class business advocacy organization in Kansas, we have confidence in the Chamber's reputation as a tireless negotiator on behalf of its members. Year after year the Chamber delivers strategic policy victories and regulatory reforms that support a pro-growth business climate."

#### SAM SACKETT

Senior Manager, Government Relations & Community Relations | Spirit AeroSystems



f in kansaschamber.org



"Being able to rely on the Kansas Chamber's advocacy efforts has been extremely important for our business. But personally, being able to engage and network with so many intelligent business leaders has strengthened my own leadership abilities. My professional growth has allowed our business to reach new heights of success!"

NICK STRECKER
CEO & Co-Founder | INA Alert, Inc.

### OUR POSITION

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

**WORKFORCE DEVELOPMENT** 

#### 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 skills necessary to be productive employees and entrepreneurs for years to come.

#### **OUR VICTORIES**

- ▶ Passed **House Bill 2033** which adds accredited non-profit organizations to the approved at-risk educational programs list.
  - Addresses recent Kansas Department of Education removals of non-profits from the list.
  - Impacts organizations like Phillips Fundamental Learning Center in Wichita, which has served students with reading and learning disabilities for over 20 years.
- ▶ Passed **House Bill 2045** creates the Kansas Office of Early Childhood and updates childcare regulations.
  - A longstanding priority of Governor Kelly, this bill also includes key deregulatory provisions supported by the Kansas Chamber.
  - Expands access to childcare by:
    - ► Allowing pilot programs to test new childcare models.
    - ▶ Creating temporary waivers for certain facility requirements.
    - ▶ Permitting individuals to watch up to four children (no more than two infants) for 35 hours/week unlicensed if not related.
  - ▶ The Kansas Office of Early Childhood will consolidate all State Government positions working on childcare under one state agency.

## REGULATORY AFFAIRS A

#### **OUR POSITION**

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

#### THE CHALLENGE

While Kansas has improved its regulatory environment in recent years, agencies have often failed to provide accurate economic impact statements showing the true cost of regulations on businesses and Kansans.

#### **OUR VICTORIES**

- ▶ Passed **House Bill 2291**, establishing the Regulatory Sandbox Program for Kansas.
  - The program creates a framework where innovative businesses can temporarily operate free from certain regulations.
  - This allows entrepreneurs to test new products or services, helping them gain traction while regulators learn alongside industry.
  - Sandboxes promote innovation through collaborative partnerships, benefiting both consumers and regulatory agencies.
  - ▶ Kansas becomes the 15th state to implement this model.
  - The Legislature overrode Governor Kelly's veto, with votes of 30–10 in the Senate and 88–37 in the House.

PAGE 5

## 2025 CAPITOL GAINS

## **LEGAL REFORM** 母

#### **OUR POSITION**

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

#### THE CHALLENGE

The Kansas legal climate has eroded through judicial activism—such as the removal of non-economic damage caps—which has expanded liability risks for businesses.

#### **OUR VICTORIES**

- ▶ Passed **Senate Bill 54**, requiring the disclosure of third-party litigation funding agreements.
  - Addresses hedge funds investing in lawsuits in exchange for a share of any award or settlement.
  - Supported by the U.S. Chamber Institute for Legal Reform which the Kansas Chamber has been advocating for the past four years.
  - Third-party litigation funding is now a \$15 billion industry, with Kansas firms already approached.
  - With the enactment of SB54, Kansas becomes the 6th state to require this disclosure.
- ▶ Passed **Senate Concurrent Resolution 1611**, eliminating the Supreme Court Nominating Commission to change the nomination of Supreme Court Justices to direct elections.
  - SCR 1611 will change the selection process for judges on the Kansas Supreme Court and give the people of Kansas a true voice in electing our Supreme Court starting with elections in 2028, 2030, and 2032. Justices would serve six-year terms with no limit.
  - If approved by voters on August 4, 2026, Kansas would become the 25th state to elect its Supreme Court.
- ▶ Passed **Senate Bill 241** ensuring certain non-solicitation covenants are enforceable.
  - Establishes standards for what is considered reasonable and enforceable in employee and business sale agreements.
  - Provides presumption of enforceability if scope and duration are fair.
  - Aims to increase clarity and judicial efficiency in contract disputes.
- Passed House Bill 2371 modernizes the Limited Liability Company Act.
  - The Kansas Chamber focused on improving provisions related to Series LLCs.

## **SUCCESSFULLY DEFEATED**

- ▶ **SENATE BILL 196** which would have mandated E-Verify for all Kansas businesses. The bill included harsh penalties: suspension of a business license for the first and second violations, and permanent revocation after a third.
- ▶ **SENATE CONCURRENT RESOLUTION 1609** which is a constitutional amendment to repeal the "right to work" section in the Kansas Constitution.
- ▶ **SENATE BILL 216** which mandates paid sick leave on all employers.
- ▶ **SENATE BILL 218** which raises the minimum wage in Kansas to \$15 an hour.
- ▶ **SENATE BILL 283** which eliminates incentive programs of PEAK and HPIP.

## KANSAS CHAMBER PAC

In the 2024 elections, the bipartisan Kansas Chamber PAC mobilized to support pro-business legislators facing targeted attacks from union and anti-business interests. Despite more than \$2 million in out-of-state and union spending aimed at Chamber-endorsed candidates, the Kansas Chamber PAC delivered results.

#### **OUR VICTORIES**

- ▶ Defeated 7 anti-business incumbents in the primary
- ▶ Won 24 of the 26 general election races in which it engaged
- ▶ Successfully defended every pro-business incumbent targeted by trial attorneys and union forces
- ► Flipped 2 Senate seats and 3 House seats in the general election
- ▶ Strengthened the Legislature's alignment with pro-growth policies heading into 2026

These outcomes are a direct result of strong support from Kansas employers who understand the importance of advocacy.



#### Invest in a pro-business future!

Join other freedom-loving Kansas business leaders in ensuring your Chamber PAC has the resources necessary to impact critical state elections!

## HISTORIC VICTORIES &

#### 2024

- Passed comprehensive workers' compensation reform successfully negotiated between the business and labor communities.
- ► Passed unemployment insurance reform, saving Kansas businesses \$97 million annually starting in 2025.
- Passed the REINS Act strengthening regulatory oversight of state agencies by the Legislature.
- Passed legislation waiving occupational licensing fees for military spouses.

#### 2023

- ► Passed the Registered Apprenticeship Tax Credit.
- Passed protections against abusive litigation under the Americans with Disabilities Act.

#### 2022

- 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 comprehensive tax legislation that removed several 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 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.

## OUR TEAM 🝿



ALAN COBB President & CEO



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SVP, Kansas Chamber & Executive
Director, Education Foundation



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BRYAN FRYE
Sr. Director of Investor Relations



JESSALYN HOLLENBECK
Director of Communications



**BRANDIE MCPHERSON**Sr. Director of Investor Relations



**WILLIAM WILK**Sr. Director of Government Affairs

#### **OTHER NOTABLE VICTORIES**

2015: Passed Unemployment Insurance reform.

**2015:** Led efforts to compromise with the wind coalition for the repeal of the renewable energy mandate.

**2013:** Passed legislation prohibiting local units of government from requiring paid leave and paid sick

**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.

#### **2025 KANSAS CHAMBER BOARD OF DIRECTORS**

#### EXECUTIVE COMMITTEE MEMBERS

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Kansas Chamber

Ivan Crossland
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Doug Gaumer

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> Patrick Woods ITC Great Plains

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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

Kansas Agribusiness Council