



BRADEN · HEIDNER · LOWE
& ASSOCIATES

LEGISLATIVE REPORT



KANSAS LEGISLATIVE REPORT

FEBRUARY 8, 2019

OVERVIEW

Another busy week in Topeka moves the 2019 Legislative Session further down the road. Dozens of bills were introduced in the last few days equating to over 300 active bills in the Senate and House. Committee activity continues to intensify as they hold hearings and recommend bills for consideration by their full chamber.

SENATE PASSES TAX BILL

The Senate made headlines as it debated and passed a major tax bill (SB 22) relating to the federal tax windfall. SB 22 passed largely along party lines, 26-14. It includes itemized deductions, providing for deferred foreign income, GILTI, business interest capital contributions and FDIC premiums income tax modifications. There is interest in this bill in order to decouple from the federal tax code implemented in 2017. It is unclear what Governor Kelly will do if the bill reaches her desk. Initial comments indicate she would prefer to leave tax policy alone this session and wait to see how the federal tax cuts impact states. The House is expected to take up the bill the week of February 18.

FORMER STATE REPRESENTATIVE ROOKER TO HEAD KANSAS CHILDREN'S CABINET

Governor Kelly named Melissa Rooker as the new executive director of the Kansas Children's Cabinet and Trust Fund. The 1999 Legislative session created the Kansas Children's Cabinet to oversee the expenditures from the Master Tobacco Settlement, which is dedicated to improving the health and well-being of children and youth in the state. Melissa will be responsible for advising the use of funds; evaluating programs; and assisting the Governor in developing and implementing a coordinated, comprehensive delivery system to serve Kansas children and families.

ADDITIONAL FUNDING FOR THE ARTS

The House Agriculture and Natural Resources budget added about another \$300,000 to the Kansas Creative Arts budget last week – this would bring the total to around \$500,000.

REPAYMENT OF KPERS PASSED BY THE SENATE

The Senate passed a bill (SB 9) that would repay KPERS payments delayed from 2016. At the time, the Legislature reduced employer contributions, but set a requirement to pay that money back with interest. SB 9 passed 40-0. There will be a hearing on the bill in House Appropriations on Tuesday of next week. If SB 9 eventually becomes law, this would mark a positive accomplishment as the Legislature tries to keep up with its public pension obligations.

Governor Kelly has her own amortization plan for KPERS, which will be heard in House Financial Institutions and Pensions next Wednesday.

EDUCATION FUNDING BILL HEARING

SB44 was heard by the Senate Select Committee on Education Finance on Wednesday. They will continue their hearing next week. The bill would provide for general appropriations for the department of education for FY2019; FY2020 and FY2021; continue the 20-mill statewide levy for schools; and increasing the BASE state aid for the next four years and beyond to account for inflation.

Two bills were introduced this week to split the Department of Education budget and the inflationary amount to meet the court requirements. No hearings have been set for the two bills.

Attorney General Schmidt has recommended that the legislature pass school finance by March 15 to give the State opportunity to develop arguments in time for the April 15 deadline of filing legal briefs for the Supreme Court.

ECONOMIC DEVELOPMENT BILLS

HB2043, which would require a periodic review of economic development programs, was passed out of House Taxation this week.

Next week, HB2006, which would require that all economic development programs and extensive information as to who receives the benefits be placed in a database on the website for public information, will be worked in House Commerce. There are concerns about data privacy which is expected to be addressed before the bill is passed by House Commerce.

NEXT WEEK

House Rural Revitalization Committee– Monday, Tuesday and Wednesday, Rural Healthcare Issues

House Commerce – Wednesday – hearing on HB2118; Thursday work HB2118 and HB2006.

House Taxation – Monday – overview of Sales Tax Exemptions and State General Fund

Senate Transportation -Thursday – “Action Plan for Transportation” by Julie Lorenz

Senate Commerce – Tuesday – history of state property tax limitations; Wednesday – briefing on Kansas valuation of vehicles and watercraft; Thursday – hearing on SB91 – golden years homestead property tax freeze

QUESTIONS?

If you have questions or need additional information, please contact me at:

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