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LEGISLATIVE REPORT



KANSAS LEGISLATIVE REPORT

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OVERVIEW

A busy week under the dome capped off the last week regular committees' meetings this session. There are now just two weeks left for regular session. Next week is dedicated to action on the House and Senate floor, while the first week of April is set for conference committees. House and Senate leaders are working to complete several legislative tasks before the First Adjournment date of April 5.

CONFIRMATION HEARINGS

Mark Burghart- Secretary, Department of Revenue recommended by the Senate Assessment and Taxation Committee and now awaits full Senate action. Julie Lorenz also was recommended by the Senate Transportation Committee. The Senate Commerce Committee also heard the recommendation of David Toland as Commerce Secretary. The Commerce Committee by a vote of 6-5 did not recommend favorably his confirmation. All will go for Senate confirmation, and a majority of the Senate can approve the nomination.

Other Governor Appointments sent to Senate Committees include Laura Howard, Children and Families and Aging and Disability Services; Donald Brownlee, Kansas Racing and Gaming Commission; Brad Loveless, Wildlife, Parks and Tourism, and Mike Beam, Agriculture.

SCHOOL FINANCE

Several days' worth of school finance discussions in the House took place this week. The House K-12 Education Budget Committee worked HB2395, their school finance bill, which contains appropriations but has several new policy pieces. The policy issues went into SB16 and the funding issues went into HB2395. The funding is for two years, similar amounts to the Senate bill, but requires earmarking funding for various weightings, as a mental health weighting. The House is planning on working their bills on Monday in the full House.

The committee also held a hearing on SB 142, which was passed by the Senate last week. There was an attempt for the House committee to recommend SB 142 but the motion failed. This will be worked out in conference.

MEDICAID EXPANSION ACTION

Medicaid Expansion captured headlines when the House offered an amendment on a healthcare bill (HB 2066) being debated on the floor. After a multi-hour debate, the amendment was adopted and the bill was passed 69-54. The bill now goes to the Senate.

TAX BILL

Legislators are anxiously waiting for Governor Kelly's response to SB 22, the tax package. She has ten calendar days after receiving the bill on Tuesday to act. This bill contains the decoupling of various provisions of the federal tax act of 2017, reduced food sales tax from 6.5% to 5.5% on October 1 and an internet sales tax component to be applied to online vendors with at least \$100,000 of annual in-state sales. If Governor Kelly signs the bill or lets it become law without her signature, this would most likely finish major tax discussions for the year. However, most believe she will veto the bill, forcing the Legislature back to the drawing board.

ECONOMIC DEVELOPMENT

HB2006 was passed out of the Senate Commerce. The bill would require that the Commerce Department provide information on economic development programs and be placed in a database on the website for public information. It also included that legislative post audit would conduct review and analysis of the programs. The bill was amended on the House side to protect confidential information of recipients. And in the Senate Committee, additional provisions were added to the bill.

SB125 and SB135 were passed by the Senate last week. SB 125 would extend the Rural Opportunity Zone Program by five years. The Department of Commerce would continue to provide an annual report concerning the program would also be extended an additional five years. SB135 would extend the Rural Opportunity Zone program to Atchison County, Cowley County, Crawford County, Dickinson County, Ford County, Franklin County, Miami County, and Pottawatomie County.

The Broadband Expansion Planning Task Force will meet next Thursday, beginning at 9:00am. The agenda includes updates on federal broadband policies and funding; and the rural broadband needs, barriers and solutions.

NET OPERATING LOSS BILL

HB2388 will be heard by the House Taxation Committee on Monday. The bill would make changes to how losses were considered under Kansas tax law. The bill would allow taxpayer option to elect out of the bonus depreciation at the Kansas level; would provide for a 20-year carryforward and limited to 100% of taxable income. The bill passed the House Taxation Committee without the bonus depreciation and lowering the limit to 80%.

911 BILL OUT OF SENATE UTILITIES

HB2084 was passed out of Senate Utilities this week. The bill addressed law concerning the Kansas 911 Act and public safety answering points (PSAPs). The bill would add new definitions; the definition of next generation 911 (NG911) would be clarified to mean a 911 service that conforms with National Emergency Number Association i3 standards. The current 911 fee would be increased from \$.63 per month per subscriber account to \$.90 per month.

TRANSPORTATION PLAN BILLS

This was another very busy week for legislative bills related to the planning and funding for the next comprehensive transportation plan. HB 2369, known as the tolling bill was heard in the House. The bill's hearing was largely the same as the Senate's hearing on the identical bill, but conferees suggested a handful of amendments to relieve concerns on the bill to ensure a thorough process is in place. The committee approved the amended bill to be sent to the House floor. The Senate version is in HB2007.

The House also heard HB 2373, which directs KDOT to start the planning process for the next transportation plan. This is an identical bill to SB186 in the Senate. The committee recommended the bill out of committee to the House floor.

The Senate Tax Committee held a hearing on SB 191, which creates an exception for the property tax lid for local transportation projects. The committee has not acted on the bill.

The Senate Transportation Committee acted on SB 189, which increases registration fees for hybrid and electric vehicles. The committee amended the bill to lower the proposed registration fees to \$50 and \$100, for hybrid and electric vehicles, respectively. The committee put the amended bill language into HB 2214 and passed it out of committee. Meanwhile in the House, the Appropriations Committee approved a similar bill (HB 2372) but kept the registration fees at the proposed levels. One or both bills may be considered next week on the House and Senate floor.

HB 2371, which proposed to increase permit fees for oversize or overweight vehicles, is part of the funding options for the next comprehensive transportation plan. The bill was amended to lower the fee levels and recommend to the House floor. The Senate Transportation Committee works its identical version of the bill (SB 187) and added an amended to require escort vehicles to register with the secretary of transportation. The committee placed SB 187's language into HB 2225 and passed it out of committee. This means HB 2225 is the Senate's bill on oversize or overweight vehicles.

No action has been taken on any of fuel tax bills.

BUDGET DISCUSSION

Budget discussions progressed this week. The Senate Ways & Means Committee and House Appropriations Committee each considered their own budget bills and recommended them out of committee. On Thursday, the Senate debated and passed their bill 21-18. The House is expected to act on their bill next week. Once both budgets pass, the committee leaders will meet in conference committee to negotiate the differences. Hopefully this takes place and is finalized by April 5.

LINKS TO NEXT WEEKS CALENDAR

http://www.kslegislature.org/li/b2019_20/chamber/documents/daily_calendar_house_20190322153114.pdf

http://www.kslegislature.org/li/b2019_20/chamber/documents/daily_calendar_senate_20190322114418.pdf

QUESTIONS?

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