



# LEGISLATIVE REPORT



**KANSAS LEGISLATIVE REPORT** **FEBRUARY 15, 2019**

## **OVERVIEW**

Another busy week in Topeka moves the 2019 Legislative Session closer to the Turnaround deadline of February 28. This deadline marks the date in which most bills must be passed by their original chamber in order to continue through the process. To date, over 530 bills have been introduced between the Senate and House. Committees are working diligently to hold hearings and consider whether or not they should be recommended to the full chamber. The Senate and House continue to debate and pass bills, which reduces the backlog before the Turnaround deadline.

## **FOOD SALES TAX**

Next week, the House Taxation Committee and Senate Taxation Committees will consider a bill to lower sales tax on food from 6.5% to 5.5%. There is a bi-partisan desire to lower food sales tax but the fiscal cost of the reduction may cause an obstacle to become law.

## **HOUSE HEARING TAX BILL**

The House Tax Committee will hear SB22, the bill to decouple from the federal tax code implemented in 2017, next week Tuesday and Wednesday. The Senate has passed the bill. It includes itemized deductions, providing for deferred foreign income, GILTI, business interest capital contributions and FDIC premiums income tax modifications. 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.

## **REPAYMENT OF KPERS PASSED BY THE SENATE**

The House Appropriations Committee will hear Senate passed a bill (SB 9) that would repay KPERS payments delayed from 2016 in the amount of \$115 million. At the time, the Legislature reduced employer contributions, but set a requirement to pay that money back with interest. SB 9 passed 40-0. Governor Kelly's own amortization plan for KPERS was worked by the House and defeated by a vote of 87-36.

## **TRANSPORTATION TASK FORCE REPORT**

The Joint Legislative Transportation Vision Task Force continues to present its report to the Legislature. Bills have been introduced in the House and Senate on policy issues of including fuel

tax increase, registration fee increases on electric and hybrid vehicles, local jurisdiction tax lid removal and tolling. Here is a link to the report: <http://www.kslegresearch.org/KLRD-web/Publications/CommitteeReports/2018CommitteeReports/jt leg trnsprtn vision tf-cr.pdf>

### **ECONOMIC DEVELOPMENT BILLS**

HB2043, which would require a periodic review of economic development programs, was passed out of House Taxation and is on the House calendar.

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 when working the bill on Monday.

### **NEXT WEEK**

Next week will see a flurry of activity in committee, hearing and working bills to be addressed on the floor of the House and Senate in two weeks before the break the first week in March.

### **QUESTIONS?**

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

Sandy Braden, President, Braden Heidner Lowe & Associates

Email: [sandy@bhlandassociates.com](mailto:sandy@bhlandassociates.com)

Office: 785-233-4512