



BRADEN · HEIDNER · LOWE  
& ASSOCIATES

# LEGISLATIVE REPORT



**KANSAS LEGISLATIVE REPORT**

**MARCH 8, 2019**

## **OVERVIEW**

Senate and House members returned to Topeka after a short break. Now that the session has passed the “turnaround” deadline, a large majority of bills are essentially on hold until next year. The second half of regular session will focus on more contentious issues, such as a school finance remedy, approval of the state budget and tax policy. Committees kicked off the short week with a handful of hearings, particularly on the Senate side. Committees will be able to hold hearings and work bills until March 22 while the last week of March and first week of April are dedicated for floor action and conference committees.

The first confirmation hearing of Governor Kelly’s cabinet will be for Mark Burghart- Secretary, Department of Revenue on Thursday in the Senate Assessment and Taxation Committee. If confirmed by the Committee the nomination will go to the full Senate for their approval.

## **HOUSE PASSES TAX BILL**

The House tackled tax policy right out of the gate by debating and passing SB 22. This bill, originally known as the Federal Tax Windfall Bill, passed the Senate last month. However, the House Tax Committee added a provision to lower sales tax on food from 6.5% to 5.5% on October 1. An internet sales tax component was added to the bill to be applied to online vendors with at least \$100,000 of annual in-state sales. A two-hour debate on the House floor resulted with the passing of the bill 76-43. Since SB 22 was amended by the House, the Senate as the option to concur with the House version or negotiate the differences in conference committee.

## **MEDICAID EXPANSION ROUND TABLE DISCUSSION**

The House Health Committee held three days of discussion on Medicaid expansion. This was not a formal bill hearing, but general discussion from supporters, opponents and other stakeholders. No hearings have been scheduled by the Senate or House Health Committees.

Along with the round table, there was a panel discussion on the Economics of Expansion – Moving Kansas Forward. Governor Kelly, former Senate President Dave Kerr, Dr. Sue Collins from the Commonwealth Foundation and Carolyn Watley, Chair-Elect of the KC Chamber and CBIZ, presented the business case for expansion of Medicaid.

## **REPAYMENT OF KPERS SENT TO GOVERNOR**

SB 9, known as the KPERS Repayment that would repay KPERS payments delayed from 2016 in the amount of \$115 million was sent to the Governor. The Governor has signed the bill, thus taking the amortization issue off the table.

## **SCHOOL FINANCE UPDATE**

The Senate School Finance Committee held a hearing on SB 142. SB 142 only addresses the inflation issue, which adds \$360M of total new money to school finance over the next four school years. After the hearing, the bill was worked and approved by the committee. It is expected that SB142 will be worked on the floor of the Senate. No hearings have been scheduled in the House K-12 Budget Committee yet. School finance committees are expected to work through the numbers as they inch closer toward the Supreme Court's April request date.

## **TRANSPORTATION PLAN BILLS TO BE HEARD**

The first of many transportation task force recommendation bills were heard in Senate Transportation next week. SB192, which would authorize the secretary of transportation to designate toll projects on new and existing highways and changing fully funded tolling projects to being funded by a portion of tolling was heard Thursday. On Tuesday, the Senate Transportation Committee will hear SB189, which would add fees on electric and hybrid vehicles and in Senate Ways and Means, they will hear the transportation planning bill, SB186, as well as address funding for for transportation in FY2020 in the subcommittee.

On the House side, the House Taxation Committee will hear two fuel tax increase bills – one for three cents and one for six cents. They will also hear the bill to add fees for electric and hybrid vehicles; a bill to allow counties to plan for construction of a road or improvement of a bridge and utilize local ad valorem tax reduction for the approved projects; a bill to increase fees for oversize vehicles; and a bill that would allow cities and counties to spend increased property tax revenues on expenses relating to transportation projects without requiring a resolution to be approved by an election.

## **ECONOMIC DEVELOPMENT BILLS**

HB2006 will be heard in 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.

## **QUESTIONS?**

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

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