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LEGISLATIVE REPORT



KANSAS LEGISLATIVE REPORT

APRIL 6, 2019

OVERVIEW

The 2019 Legislature has finished their regular session after a busy week. House and Senate members are heading back to their districts for April break and will return on May 1 for the veto session. The veto session can last a couple days or several weeks. The Legislature must put the final touches to its budget, but the desire to pass some sort of tax policy will most likely preview work that will extend well into May.

CONFIRMATION HEARINGS

Governor Appointments approved this week included David Toland, Secretary of Commerce; Laura Howard, Children and Families and Aging and Disability Services; Donald Brownlee, Kansas Racing and Gaming Commission; Brad Loveless, Wildlife, Parks and Tourism, Mike Beam, Agriculture; and Jeff Wagaman, Securities Commissioner. Delia Garcia, Secretary of Labor, will have her confirmation hearing in Commerce when they return in May.

SCHOOL FINANCE BILL SIGNED BY GOVERNOR

To no surprise, school finance dominated discussion as the Senate advocated for its funding bill (SB 142) and the House asserted its policy bill (SB 16). After several contentious meetings, a final bill was put together in SB 16 with the Senate's funding and a handful of House policy pieces. On Thursday, the House voted to pass the final bill 76-47 and the Senate passed it 31-8 and Governor Kelly signed the bill. The Kansas Attorney General is expected to submit briefs by April 15 to see if the plan satisfies the Kansas Supreme Court. The plaintiff's attorneys do not believe that the bill is enough money to satisfy the courts, even though the funding was the same as suggested by the Department of Education.

MEDICAID EXPANSION ACTION

On the way out late Friday afternoon, Senator Hensley made the motion to bring the Medicaid Expansion bill passed by the House out of the Senate Public Health and Welfare Committee. This motion will require 24 votes to get it out of Committee and 27 votes to put it on the calendar for debate and vote. This motion will be worked when they come back on May 1.

TRANSPORTATION TASK FORCE BILLS

HB2007 became the final home for the tolling provisions of the Transportation Task Force recommendations in the conference committee. The report has been approved by the Senate and House. The bill is heading to Governor Kelly's desk.

The conference committee report for HB 2225, which includes increase permit fees for oversize or overweight vehicles and creates a registration requirement for KDOT, was approved by the Senate 36-4 and the House 91-32. HB 2225 is now heading to Governor Kelly's desk.

The conference committee report for HB 2214 contains the language that increases registration fees for hybrid and electric vehicles at \$100 for electric vehicles and \$50 for electric hybrid and plug in hybrids. The House approved the report 80-41 and 36-2 in the Senate. This is the third transportation plan bill to head to the Governor's desk.

No action has been taken on HB 2373, which directs KDOT to start the planning process for the next transportation plan. The Senate's companion bill (SB 186) remains in the Senate Ways & Means Committee.

The budget bill, which will be finalized in May, keeps Governor Kelly's recommended \$160M of reduced KDOT transfers.

No action is expected this year on any of fuel tax bills or on the property tax lid for local transportation projects. The bill on transfers to the local ad valorem tax reduction fund and county and city revenue sharing fund for local projects may still have an opportunity in May.

BUDGET

The final version of the Budget Bill was crafted in a relatively painless format, as there were not many differences between the Senate and House versions. The Budget Conference Committee did not address Medicaid language differences or finalize the payment schedule of the PMIB loaned amount and did not pass any budget bill. By April 20th, the consensus revenue estimating group will have an estimate of the revenue expected during the first half of FY2020. This will guide the Committee on their final budget decisions in May.

ECONOMIC DEVELOPMENT

The contents with changes of HB2006, the economic development transparency bill, were put into HB2223 and passed by the Senate. It remains on the House calendar to be worked at a later date. The bill would require analyses and reporting of economic development incentive programs by the Legislative Division of Post Audit and the Commerce Department. It also includes a provision on extending the maximum maturity on bonds issued to finance projects under the Kansas Rural Housing Incentive District Act. Here is the link to the committee report and explainer:

http://www.kslegislature.org/li/b2019_20/measures/documents/ccr_2019_hb2223_s_1749
http://www.kslegislature.org/li/b2019_20/measures/documents/ccrb_hb2223_01_0000.pdf

AO-K CAREER PATHWAY PASSED

The bill, SB199, would establish the AO-K to Work Program was sent to the Governor on Tuesday. The bill would require KBOR to award a Kansas high school equivalency credential to any qualified student who is recommended and approved to participate in an AO-K career pathway approved by KBOR for college credit and meets other KBOR requirements.

TAX BILL

The Senate was anxious to take a shot at overriding Governor Kelly's veto of SB 22, which was a major tax package passed by the Senate and House in March, but that vote never came. There may be an attempt in early May for the Tax Conference Committee to go back to the drawing board to produce a scaled-down version that can be signed into law by the governor.

LEGISLATURE TO RETURN ON MAY 1

The House returns at 11:00am and the Senate at 10:00am on Wednesday, May 1, 2019.

QUESTIONS?

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

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