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& ASSOCIATES

LEGISLATIVE REPORT



GREATER KANSAS CITY CHAMBER

MARCH 6, 2020

OVERVIEW

The second half of the 2020 Legislative Session kicked off Wednesday. Most of the proposed legislation introduced in the 2019 and 2020 Sessions died last week due to Turnaround rules, leaving only bills that have passed one chamber or reside in an exempt committee still alive.

Intensity is expected to significantly increase as remaining bills must be considered and passed by the opposite chamber by March 25. The last week of March is dedicated to conference committees with the regular session ending on April 3. The next two weeks will be spent on hearings in committee to prepare for the March 25 floor action deadline.

No new movement on Medicaid expansion or the constitutional amendment on abortion. The House and Senate are both moving toward passing the 2021 budgets to be complete before the end of the first adjournment.

FORWARD KANSAS TRANSPORTATION PLAN

KDOT's FORWARD bill, contained in HB 2588 and SB 375, is the comprehensive transportation plan which will succeed TWORKS, the prior 10-year program which is nearing its conclusion. FORWARD Kansas is another ten-year transportation plan but considered to be a rolling plan as far as project selection. Specifically, the bill allows the KDOT Secretary to select projects for development and construction every two years, after a series of local consultation meetings. Both bills will be worked in their respective committees next week on Monday in the Senate and Wednesday and Thursday in the House.

SCR1601, a constitutional amendment that would prevent transfers and limit expenditures from the state highway fund to fund only items listed in the amendment, will be heard in the Senate Transportation Committee on Tuesday.

The Senate Transportation Committee will be hearing SB459 on Wednesday. SB459 would require drivers to exercise due care when operating a motor vehicle on any highway and the driver from engaging in any actions that distract the driver from the safe operation of the vehicle. The bill would also prohibit a person driving on a highway from holding a wireless telecommunications device. The bill would provide exceptions for the use of a telecommunications device when the vehicle is stopped; to call law enforcement; prevent imminent injury to a person or property; or to relay information to a transit dispatcher. It also provides fines and charges for violating the law, as well as safe driving training and proof of handsfree devices to retract the charge.

WORKFORCE DEVELOPMENT

HB 2506, which allows new Kansas residents or military spouses who are licensed in another state to have their license be transferred to Kansas, will be worked in the Senate Commerce Committee on Tuesday.

HB2515, which creates the Kansas Promise Scholarship that will expand post-secondary education opportunities to working Kansans who otherwise may not be able to afford community college or technical college education, will be heard in Senate Education on Monday.

HB2507, which will expand work-based learning programs for all Kansas high school students by protecting employers and business from liability when hosting students for work-based learning programs, will be heard in Senate Commerce on Thursday.

ECONOMIC DEVELOPMENT

HB2529 would extend the STAR Bonds program and make reforms to the program. The bill will be worked in House Commerce on Wednesday.

HB 2702, which would decouple the KIT and KIR workforce training programs from the high-performance incentive fund program (HPIP) and enhancing the workforce training tax credit will be heard in Senate Commerce on Friday.

The House Taxation committee heard one of the Governor's Tax Council recommendations, imposing sales taxes on digital goods. The fiscal note on the bill is an additional \$45 million of tax revenue to the State. Digital goods that would be taxed under the bill include Digital audio-visual works; digital audio works; digital books; artwork; digital photographs and pictures; periodicals; newspapers magazines; video, audio and other greeting cards; graphics; templates; patterns; desktop applications; mobile applications; web applications; cloud-based applications; native applications; online games; video games; electronic games; any digital code related to any of the items listed above; or any streaming services related to any of the items listed above. No action was taken on the bill.

The House Taxation Committee will hear HB 2720, which would create a new refundable food sales tax credit and repeal the existing non- refundable food sales tax credit beginning in tax year 2020. The new tax credit amount would be determined by tax filing status and could be claimed by all taxpayers with income at or below certain federal adjusted gross income levels. This is another of the Governor's Tax Council recommendations. The cost of the bill would be \$52 million reduction in state general funds.

LINKS TO NEXT WEEKS CALENDAR

http://www.kslegislature.org/li/b2019_20/chamber/documents/daily_calendar_house_20200305133951.pdf
http://www.kslegislature.org/li/b2019_20/chamber/documents/daily_calendar_senate_20200305182333.pdf

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