

## **Weekly Legislative Report -----Kansas Legislature 2019**

### **Weekly Legislative Report, February 8<sup>th</sup>**

With less than three weeks left before Turnaround – when bills must be passed by their original chamber – the pace is picking up in the Kansas Legislature. Both Chambers began considering legislation on their General Orders, several hot-topic bills were introduced, and hearings are quickly being added to committee calendars for next week.

#### **Senate Passes “Windfall” Bill**

The full Senate considered on Wednesday and passed on Thursday [Senate Bill 22](#), which returns roughly \$400 million over three years to both individual and corporate taxpayers as a result of federal tax changes enacted in 2017. The vote was 26-14, one vote shy of the 27 needed to override Governor Kelly’s expected veto of the bill. In a statement released by her office immediately before the Senate debate, the Governor called the bill “an irresponsible tax plan.” SB 22 now heads to the House Tax Committee, although no hearing dates has been set.

#### **KPERS Payment Bill Forwards**

The Senate unanimously passed [Senate Bill 9](#) on Tuesday, which would pay \$115 million that the state owes to the Kansas Public Employee Retirement System (KPERS). The Legislature skipped a \$97.4 million payment in 2016, and SB 9 would restore the reduction with interest. Proponents on both sides of the aisle supported the bill, albeit for different reasons. While the measure was not included in Governor Kelly’s proposed budget, the payment will go to support the funded ratio of the KPERS School Group and save the state roughly \$20,000 per day in interest. The bill now heads to the House Appropriations Committee for consideration.

#### **Gender Discrimination Bills Introduced**

Identical bills were introduced on Monday in both Chambers that would amend the Kansas Act Against Discrimination to include sexual orientation or gender identity or expression. While Governor Kelly issued an executive order early in the session

#### **Significant Dates and Events**

##### **February 11<sup>th</sup>**

Deadline – Non Exempt  
Committee Bill request

##### **February 13<sup>th</sup>**

Deadline – Member Bill  
Introduction

##### **February 15<sup>th</sup>**

Deadline – Committee Bill  
Introduction



prohibiting gender identity discrimination within her administration, [Senate Bill 84](#) and [House Bill 2130](#) would extend to private employers in Kansas. The bills have been referred to the Senate Judiciary and House Federal and State Affairs Committees, respectively.

### **School Finance Discussions Begin**

The Senate Select Committee on Education Finance began hearing [Senate Bill 44](#) on Wednesday, the Governor's K-12 school finance bill. The measure would increase state aid to schools by roughly \$93 million this fiscal year, which is believed to address the Kansas Supreme Court's order for inflationary increases. The hearing is scheduled to continue next Tuesday.

As introduced, SB 44 also includes the budget for the Kansas Department of Education. However, yesterday, the Committee split the bill into two parts to consider the education department's budget separately from the Governor's solution for the Court.

### **Committee Approves Farm Bureau Health Plan**

The Senate Financial Institutions and Insurance Committee on Tuesday passed [Senate Bill 32](#), which would add the Kansas Farm Bureau to the list of entities in statute that can provide healthcare benefit coverage to their members outside of the jurisdiction of the Insurance Commissioner. The committee amended the bill to specify the healthcare benefit coverage would not be considered insurance; permit reinsurance for such coverage; and require the submission of a signed, certified actuarial statement of plan reserves annually with the Kansas Department of Insurance. SB 32 now heads to the full Senate for deliberation.

Hearings were also held this week on other Association Health Plan (AHP) bills. The Senate Financial Institutions and Insurance Committee held a hearing on [Senate Bill 34](#) on Tuesday, exempting AHPs from Small Employer laws; and [Senate Bill 35](#), short term limited duration health plans, on Wednesday. The House Insurance Committee heard SB 35's sister bill, [House Bill 2053](#), on Monday. No action was taken on any of these bills.

### **Tax Committee Passes Economic Development Review**

The House Tax Committee passed [House Bill 2043](#) on Wednesday. The bill, based on recommendations from PEW Charitable Trusts, would set up a periodic review schedule for certain tax credits, incentives, and sales tax exemptions under the Departments of Commerce, Revenue and Insurance. Each review would provide a description, history and goals, assessment of the design and administration, and an estimate of the economic and fiscal impact.

Among those economic development programs written in the bill include Sales Tax as Revenue (STAR) Bonds, the High-Performance Incentive Program (HPIP), the



Promoting Employment Across Kansas (PEAK) program, Rural Opportunity Zones (ROZ), the Angel Investor Tax Credit, the Job Creation Fund, and several others. HB 2043 now awaits consideration by the full House.

### **Telecom Franchise Agreement Bill Heard**

The Senate Utilities Committee held two days of hearings this week on [Senate Bill 68](#), which would prohibit local governments from requiring wireless franchise agreements. The Committee heard from proponents on Wednesday and opponents on Thursday.

Telecommunication companies testified that the open-ended nature of the franchise agreements under current state law delays their ability to expand their networks and implement better and faster technology to consumers. Municipalities argued that franchise agreements are critical to protecting the public right-of-way and ensuring safe deployment of utility lines. No action was taken on the bill.

### **Rural Revitalization Committee Tackles Challenging Issues**

The new Rural Revitalization Committee continued their informational hearings this week on several topics challenging rural Kansas communities, including economic development, broadband, and transportation. On Wednesday, the committee received a report from Interim Kansas Department of Transportation Secretary Julie Lorenz on the Transportation Task Force's findings after a series of meetings held during the summer and fall. The committee discussed how to ensure a predictable funding source for the new state transportation plan, ways to increase preservation efforts, and potential cost-sharing programs to help communities leverage state dollars toward local projects.

Presentations were also provided by the Western Kansas Rural Economic Development Alliance and Tri-County Telephone cooperative out of Council Grove.

Bill Number	Bill Sponsor	Bill Subject	Current Status	Last Action	Notes
<a href="#">SB 9</a>	Molly Baumgardner, R-37th	Authorizing the transfer of \$115,000,000 from the state general fund to the Kansas public employees retirement fund during fiscal year 2019	In House Appropriations	<b>02/07/2019 - House</b>  Referred to Appropriations	
<a href="#">SB 13</a>	Caryn Tyson, R-12th	Increasing and allowing Kansas itemized deductions, allowing individual expensing deduction, providing for certain income tax credits, allowing rural opportunity zone for certain counties, extending certain counties countywide retailers' sales tax, providing for sales tax definitions and exemptions for certain sales	In Senate Federal Tax Code Implementation	<b>01/18/2019 - Senate</b>  Withdrawn from Assessment and Taxation; referred to Federal Tax Code Implementation	

<a href="#">SB 22</a>	Senate Federal and State Affairs Committee	Kansas itemized deductions, election, providing for deferred foreign income, global intangible low-taxed income, business interest, capital contributions and FDIC premiums income tax modifications	Passed in Senate	<b>02/08/2019 - House</b>  Received and introduced	
<a href="#">SB 47</a>	Senate Assessment and Taxation Committee	Creating the student opportunity scholarship program	In Senate Education	<b>01/25/2019 - Senate</b>  Referred to Education	
<a href="#">SB 57</a>	Mike Petersen, R-28th	Requiring review of information technology contracts by the joint committee on information technology	In Senate Ways and Means	<b>01/31/2019 - Senate</b>  Referred to Ways and Means	
<a href="#">SB 71</a>	Senate Education Committee	Eliminating the expiration of the postsecondary technical education authority and requiring a report to the legislature	In Senate Education	<b>02/04/2019 - Senate</b>  Scheduled Hearing in Education: Tuesday, 2/5, 1:30 PM, Rm 144-S	

<a href="#">SB 72</a>	Senate Ways and Means Committee	Supplemental appropriations for FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 and FY 2024 for various state agencies	In Senate Ways and Means	<b>02/01/2019 - Senate</b>  Referred to Ways and Means	
<a href="#">SB 74</a>	Senate Ways and Means Committee	Providing a post-retirement benefit increase (COLA) for certain KPERS retirants	In Senate Ways and Means	<b>02/01/2019 - Senate</b>  Referred to Ways and Means	
<a href="#">HB 2005</a>	Elizabeth Bishop, D-88th	Allowing an individual to itemize deductions in Kansas despite not itemizing on their federal return	In House Taxation	<b>01/15/2019 - House</b>  Referred to Taxation	
<a href="#">HB 2011</a>	Nick Hoheisel, R-97th	Sales tax exemption for required textbooks	In House Taxation	<b>02/07/2019 - House</b> Scheduled Hearing in Taxation: Tuesday, 2/12, 3:30 PM, Rm 112-N	
<a href="#">HB 2100</a>	House Financial Institutions and Pensions Committee	Providing a post-retirement benefit increase (COLA) for certain KPERS retirants	In House Financial Institutions and Pensions	<b>02/06/2019 - House</b> Scheduled Hearing in Financial Institutions and Pensions: Monday, 2/11, 9:00 AM, Rm 281-N	

<a href="#">HB 2112</a>	Kenneth Collins, R-2nd	Adding Crawford and Dickinson counties to the list of eligible rural opportunity zone counties	In House Rural Revitalization	<b>02/01/2019 - House</b>  Referred to Rural Revitalization	
<a href="#">HB 2121</a>	House Appropriations Committee	Supplemental appropriations for FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 and FY 2024 for various state agencies	In House Appropriations	<b>02/06/2019 - House</b>  Scheduled Hearing in Appropriations : Wednesday, 2/13, 9:00 AM, Rm 112-N	
<a href="#">HB 2153</a>	House Federal and State Affairs Committee	Repealing statutes pertaining to student religious associations	In House Federal and State Affairs	<b>02/07/2019 - House</b>  Referred to Federal and State Affairs	