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The 2018 Legislature is two weeks away from first adjournment. This week committees wrapped up their work and more information was released about the K-12 School Finance Study. The House and Senate will be on the floor all week, working its way towards adjournment.

## **K-12 School Funding**

On Monday, the Legislature received more detail on the K-12 study. Reaction varied with Democrat and Moderate Republicans generally agreeing with the need for significantly more funding, while Senate leadership strongly disagreed with the dollar amounts recommended. Recommendations range from \$451 million to \$2 billion more for education funding, depending on the outcomes desired. These dollar amounts are higher than legislators expected. There will be continued discussions over the appropriate dollar amount that will satisfy the court ruling and a possible constitutional amendment that could change the definition of education funding in the state.

## **Taxes**

The Senate Taxation Committee passed out Senate Sub for HB 2228 that addresses the Kansas treatment of several federal tax reform measures as well as some state tax priorities. The committee approved provisions allowing taxpayers to decouple from federal tax policy and claim itemized deductions in Kansas even if they claim the standard federal deduction. The committee also amended the bill to address the repatriation of income, restored to 100% the mortgage interest, property tax, charitable contribution and medical expense deduction and voted to increase in the standard deduction by 25%. The committee amended in expensing provisions that allows small businesses to claim the expensing deduction and put them on even playing field with corporations who are allowed the deduction. A bill dealing with only the expensing provision was tabled in the House Taxation Committee earlier this week. The committee also passed a bill that lowers the state's sales tax on groceries from 6.5% to 4% in 2020 and 2% in 2021.

## **STAR Bonds**

The Senate Commerce Committee met this week to work SB 432 and SB 434 which make changes to the STAR Bond statutes. The Committee heard from several communities with past and current STAR bond projects about their support for the program. Many communities stated the STAR bond proposals went too far and would eliminate several current projects and put significant restriction on new projects. After much discussion, the committee chair suspended action on working the bills. Instead, they will look at legislation to evaluate economic development incentives in Kansas. The committee passed out SB 448, a bill that puts into statute a process and procedure for evaluating all economic development incentives. The bill now goes to the full Senate for debate.

## **Budget Committees**

Both House and Senate budget committees wrapped up their versions of the first budget bills this week. Both bills now move on to their respective floor debates before each house. It's unlikely that either version will get modified much, or at all, during floor debate. After passing their chambers, the action will move to Conference Committee, where differences will be negotiated and adjustments to the budgets will be made for another vote of both chambers.

In other committee action, Senate Ways and Means passed out a bill on coordinating IT policy for state government. This mainly had to do with the proposed membership of a state government group for IT policy and security of state agencies.

House Appropriations discussed the annual Claims Against the State bill, which deals with paying claims by individuals against state agencies. In the past this was highlighted by extravagant claims by inmates in state prisons, but those have greatly diminished and now its things like wind-blown bleachers crashing into college students' cars.

## **Tobacco Tax**

On Thursday, the Senate heard testimony on a bill that would increase the tax on tobacco and tobacco products. Proponents spoke about the dangers of cigarettes and that increased taxes would reduce the numbers of smokers in the state. Opponents argued that taxes are already high, and another tax increase would harm small business, specifically those retailers near the border. This hearing was very similar to a hearing held last week in the House Tax Committee.

## **Disabled Employment**

The Senate Tax Committee passed out of committee on Thursday HB 2416, which is a jobs creation bill for Kansans with disabilities and authorizes for Kansas businesses a 15-cent incentive of each dollar spent on goods and services expended with nonprofit organizations focused on employing Kansans with disabilities. The bill is on Senate general orders.

## **Tort Reform**

The House Judiciary passed two tort reform bills this week. SB 296, which allows juries to hear if an injured person was wearing a seat belt at the time of the accident. The committee amended the bill and limited the evidence of seat belt use to only apply to products liability cases. The Committee also passed SB 199 which addresses appeal bond caps in the state with an amendment to eliminate the small business provisions for additional caps on verdicts. Eliminating this provision will be detrimental in cases where high jury verdicts could prevent appeals by small business owners. Both bills now go the House Floor. Lastly, the asbestos trust bill passed the full Senate yesterday and since the bill was unamended, it will now go to the Governor for his signature.

## **Transportation Task Force**

House Transportation Committee passed HB 2775, a bill which establishes the joint legislative transportation vision task force charged with reviewing and evaluating the state highway fund and the state highway transportation system. The goal of the task force is to work to ensure Kansas has the best highways possible and to make recommendations for a new transportation program in the state. The committee changed the bill from the Senate version and added additional legislators to the taskforce.

## **Health Care**

The Telemedicine Bill was passed out of committee this week. The House version added an exclusion for abortion-related services and placed a non-severability clause that would repeal the entire telemedicine statute if a court declared that the abortion-related services section unconstitutional. The Senate Committee left the exclusion but took out the non-severability clause. The committee also added SB 312 which is the industry compromise on dental therapists that had been stuck in the House Health Committee.

The House also passed the Pharmacy bill that would allow pharmacist to advise their clients on alternative and/or cheaper drugs. These so called “gag orders” will no longer be allowed in PBM/Insurance contracts. The bill was not amended in the House, so it is on its way to the Governor. Finally, the bill allowing the State to enter multi-state nurse compacts was passed out of the Senate Health Committee and on to the Senate Floor.

### **Insurance**

The final two insurance bills were passed out of House Insurance committee this week. SB 410 which would modernize the Captive Insurance Statutes was tweaked and sent out to the House Floor. SB 348 which allows the use of electronic documents in insurance forms was amended slightly and passed out.

### **Law Enforcement**

The asset forfeiture and swatting bill both passed unamended by the Senate and are on their way to the Governor’s desk for his signature. The body camera compromise bill is expected to run next week.

### **Amusement Rides**

The House Federal and State Affairs Committee passed out SB 307, a trailer bill to the amusement ride legislation passed last year. The committee removed the exemption for municipalities and increased the slide height to 30 feet for inspection with an additional provision that requires an attendant for slides over 15 feet. The committee further defined barrel rides. The bill now goes to the full House for debate.

### **Next Week**

With most committee work now finished, attention turns to floor action as both chambers work towards the Thursday deadline for second chamber consideration. With the K-12 budget untouched, the legislature has much work to do before first adjournment slated for April 6th.