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Legislators are nearing the end of committee work. Next week is the last week committees will meet so a lot of work must be accomplished by then. This week many hearings were held looking at everything from guns to abortion to tax plans to water quality.

RPS standards

SB 253 had a hearing in the Senate Utilities Committee. This bill would sunset the Renewable Energy Standards Act adopted in 2009 by the end of the year. The Act requires major electricity companies to receive 10% of energy capacity from renewable sources. It would also delete the Renewable Portfolio Standard (RPS) increases to 15% by 2016 and 20% by and after 2020. In 2013, Kansas ranked ninth for installed wind capacity with more than 1,700 turbines, according to the American Wind Energy Association. Supporters of the bill say the standard creates higher utility rates for Kansans, while the opponents say removing the policy would deter global investors from considering Kansas. No action has yet been taken on the bill.

Unemployment insurance

SB 154 will have a hearing this afternoon in House Commerce Committee. This bill changes to a fixed rate system for unemployment insurance taxes for employers. This is the same version that passed out of the Senate two weeks ago. It will be heard today and is scheduled to be worked by the Committee on Monday. The committee also held a hearing on HB 2357, which would allow an unemployed individual not in the educational field to take a part-time substitute teaching position and remain eligible for unemployment benefits. The bill would require all employers file electronically all wage reports, contribution returns, and payment and interest for unemployment insurance assessment and eliminate the current 50 or more threshold.

Labor bills

The Senate Commerce Committee held hearings this week and worked this morning bills that would eliminate the Public Employee Relations Board (PERB), significantly reduce union representation of public workers, and prohibit public employers from withholding union dues from worker paychecks. The PERB measure, SB 179, would eliminate the board, leaving to the Secretary of Labor dispute resolution between unions and public employers. The measure also would limit union/government unit contract negotiations to salaries and wages. Opponents of the measure stated the bill would silence discussions on improving work conditions and benefits. Sen. Jeff Melcher who proposed the legislation stated individualized negotiations deliver better results. The second bill, SB 212, heard Thursday would prohibit public employers from withholding union dues from worker paychecks is an expansion of last year's law which prohibited school districts from withholding union political action

committee contributions from paychecks of members. This year's bill prohibits any withholding of dues from union members' paychecks.

Charitable raffles

The Senate Federal and State Affairs Committee held a hearing on SB 262 this week that would regulate charitable raffles, which was approved by voters this past fall. The bill would also modernize the bingo law. Currently, bingo licensees are restricted in how often they can hold games during the week, what they can charge, how many games in a session they can play and the dollar amount of prizes. The bill would maintain a payout cap to \$1,200 per session, but some other restrictions would be lifted.

STAR Bonds

A hearing was held Thursday on HB 2402, which says metro areas which are defined as "blighted areas" by statute have to qualify for STAR bonds with a minimum \$25 million capital investment and \$25 million in projected gross annual sales. Another section state 0.05% of the revenues collected are to be sent to a Department of Revenue "STAR Bond administration fund." Meanwhile, another bill is being drafted that would address several areas of concern to the law from the Legislative Post Audit Committee following a post audit of Heartland Race Track Park. One of the items for consideration would require economic impact studies be done by an independent third party.

School finance

Last Thursday, two identical bills were introduced, one in the Senate and one in the House, that would change how K-12 public education is funded in Kansas. After a week of hearings, floor debate and an extended call of the House, the House passed the measure on a vote of 64-57. House Substitute for SB 7 would eliminate the current school finance formula and put in place block grant funding for K-12 education. It would end on June 30, 2017, which gives lawmakers just two years to come up with another school finance plan or lift the sunset in two years and continue block grants into the future. The House Appropriations Committee held the hearing for the bill on Monday with the supporters being the Kansas Policy Institute and the Kansas Chamber of Commerce. Opponents were many from the education community including the school boards, superintendents and teachers groups. Supporters say this will give schools a \$300 million increase, and opponents argued this will cut funding to specifically the poorer schools. The Senate Ways and Means Committee also held hearings this week and began working the bill on Thursday. Work on the bill will be wrapped up next week and sent to the full Senate floor. Assuming the Houses the bill today on a final action vote, the Senate could easily concur with the House's changes to the bill and the measure would then be sent to the Governor.

Budget & tax plans

The budget committees are working to put together a balanced budget based on existing resources. The committees will then evaluate the state revenue picture in April after the Consensus Revenue Estimating Group meets April 20. At that point, the tax committees will form a tax plan that matches the state expenditures. Sen. Les Donovan stated this week lawmakers would not act upon a series of bills that hold potential of raising state tax revenue until after April and May revenues had been calculated. That will give legislators a better idea about depth of the shortfall moving into the fiscal year starting July 1, he said. However, he predicted legislators would not leave Topeka at close of the 2015 session without raising taxes. If the budget gap remains in the range of \$600 million, filling it with cuts in expenditures won't be realistic.

One option the tax committees are exploring is the passive income tax. The Senate Tax Committee and House Tax Committee held their own separate hearings this week on passive income tax. They are SB 260 and HB 2392. Kansas would reverse a feature of a 2012 state law to exclude passive

income and passive losses as modifications to federal adjusted gross income for Kansas income tax purposes. Examples of passive income include certain rents and earnings from a business that the taxpayer is not directly involved in the management of the business. The financial benefit to the state treasury was projected to be \$65 million for the 2015 tax year and about \$50 million in each year going forward.

More tax hearings will be held next week. On Monday, the Senate Tax Committee will hear SB 257, which puts a ten-year limit on property tax exemption for renewable resources technologies. On Tuesday, the committee will consider SB 270, which deals with tax credits for low income student scholarships enacted as part of last year's school finance legislation. Thursday will have a hearing on SB 261, which imposes the sales tax on gas, electricity, heat and other fuel sources for residential premises and agricultural use. For the House Tax Committee, on Monday they will have an information hearing on sales tax exemptions. On Tuesday the House Committee will hear HB 2399 which increases the sales tax rate to 6.3% from the current 6.15%. On Wednesday the committee will hear HB 2400, which repeals the local ad valorem tax reduction fund, and HB 2401, which imposes an excise tax on ethanol production and electricity generated by renewable resources. Thursday will be a hearing on HB 2396, which imposes a ten-year limit on property tax exemptions for renewable energy resources or technologies.

These hearings are all in an effort to educate legislators and receive information on tax options before a tax plan is put together later this session.

New legislator

Finally, a new legislator was elected Thursday night to serve in the Legislature. Stafford County farmer Greg Lewis was elected to succeed State Rep. Basil Dannebohm at a meeting of House District 113 Republican precinct leaders in Pratt. Lewis was elected 65 to 16 over former State Rep. Marshall Christmann. Christmann abandoned his House seat to run unsuccessfully in a five-way GOP primary-only Senate race in 2014 won by Rick Wilborn. Dannebohm succeeded Christmann but resigned Feb. 24 due to health concerns. Lewis previously served on the St. John-Hudson School Board.

Upcoming week

Next week will be busy as legislators will meet for the final time in committees next Friday. Many bills will be acted upon, and committees will work to clear their schedules of bills. SB 34, which would give the Secretary of State prosecutorial authority, had a hearing this week and could be worked next week in House Judiciary Committee. A bill changing when local elections are to be held will make its way through the House chamber. HB 2139, which would repeal the state's in-state tuition for undocumented immigrants policy, continued to be debated this week, and the Education Committee asked for additional information. Look for that bill to be acted upon next week. Finally, today a bill is being heard in House Federal and State Affairs Committee on "constitutional carry" of firearms, which could be worked next week. Look for a very busy week of committee discussion.