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Legislators ended the regular session on Thursday after a long week of conference committees and negotiations on bills, including the budget. Legislators will return April 29 for Veto Session.

Public lobbying

SB 42 has passed the Senate, but currently sits in House Elections Committee. This bill would require reporting by both lobbyists and governmental entities, addressing the reporting of public funds used for lobbying. It had a hearing this week in the House committee. In addition, it is conferencable since it passed one chamber. It has been discussed in an Ethics and Elections Conference Committee but no decision has been made. They will be waiting for Veto Session to take action.

Local elections

HB 2104 includes several bills including SB 171 and SB 239. A conference committee report was signed by House and Senate negotiators. This includes provisions that address reasons for and filing of party candidacy vacancies for any office. It also does not allow a candidate to withdraw from an election unless they have died. SB 171 moves all elections for office holders of local governments currently held in the spring of odd-numbered years to the fall. Elections for cities and school districts would move to the fall of even-numbered years. SB 239 would repeal the statute calling for a presidential preference primary election and replace it with new law requiring each recognized political party to select a presidential nominee.

Budget & taxes

The Governor has stated a desire to see a spending blueprint for the state that erases a projected shortfall of nearly \$600 million. Many believe spending cuts cannot fill that hole and revenue enhancements will need to be passed. However, the tax committees are both waiting until after Consensus Revenue Estimating Group meets in April to project the next fiscal year before it is determined how much revenue they will need to make up. The Senate approved a \$15.5 billion budget for the fiscal year beginning July 1 that won't balance without tax increases. The House did not take up their budget. However, budget negotiators for both the Senate and House met all week and came to a tentative agreement on Thursday, leaving open the door to possible changes at Veto Session depending on the state's fiscal outlook. The agreement includes funding for a state efficiency audit by a third-party independent auditing firm and appropriations to set up and determine a plan for a state OSHA program.

It also does not include any cuts to Regents institutions, but instead places a freeze on tuition rates at Regents institutions.

Tax collections rebounded in February, but March receipts were \$11 million below projections. Kansas tax-only revenues for March were \$11.2 million or 2.8% below estimates, and are now \$48.3 million below the November-adjusted Consensus Revenue Estimates on which the governor based his budget for the upcoming two fiscal years. The Department of Revenue's release emphasized an increase in individual income tax receipts, up \$8.6 million or 6.7% above estimates, and \$28.3 million or 25% over last March. Sales taxes for March produced \$162.7 million in revenue, \$6.2 million or 3.7% less than estimates of \$169 million. The state's sales tax receipts were just \$426,000 more than last March, and for the year-to-date, collections were \$33.7 million or 2.1% over last year. Corporate income tax receipts were \$36.7 million \$8.2 million less than estimates, and oil severance tax (\$3.9 million or \$4 million under estimates) and gas severance tax, \$1.96 million (\$1 million below estimates).

At a rare press conference this week Governor Brownback said he will oppose income tax increases and is looking at "consumption taxes" to bolster the state's budget. He appeared to sense that his proposals for liquor and cigarette tax increases aren't likely to be approved as he proposed them to the Kansas Legislature in his State of the State address in January.

KPERS

This week both chambers adopted a conference committee report that issues \$1.0 billion in bonds to bolster the short-term financial health of the Kansas Public Employees Retirement System. The idea is to give KPERS another 10 years, until 2043, to close a projected \$9.8 billion gap between its anticipated long-term revenues and benefits for retired teachers and government workers. KPERS already is set to erase the gap by 2033 under laws enacted in recent years, but those laws require increasing payments by the state to the pension system, and Brownback contends they're straining the budget. This would reduce the state's pension payments by \$60 million over the next two years. The Senate approved a bill in February to authorize \$1 billion in bonds. The House approved a bill last week for \$1.5 billion in bonds.

Guns

SB 45, which authorizes concealed carry without a license in Kansas, was signed into law by Governor Brownback on Thursday. This is also known as the constitutional carry bill. It passed the House last week. It is understood that those businesses who do not want guns in their place of business may continue to follow the regulations provided, by placing a sign to not allow guns in the business.

Charitable gaming

A bill to establish regulations for charitable gaming and allow for fantasy sports has been approved in a conference committee report. The CCR for SS for HB 2155 passed the Senate and House.

Unemployment insurance

SB 154 has been agreed to by negotiators for the House and Senate. This bill makes large unemployment insurance reforms to the system, changing from an arrayed system to a fixed rate system. This also includes HB 2357, which would eliminate the requirement that the Kansas Department of Labor has to hire certain positions in the classified services and removes restrictions from hiring certain members from political parties. The conference committee report was passed by the House on Thursday and will be taken up by the Senate during Veto Session.

Uber

SB 117, which is known as the Uber bill, was approved this week over Uber's objections. Legislators received hundreds of form emails from Uber users across the country, which crashed statehouse email servers. The conference committee report on the bill, removed the regulatory and Kansas Corporation Commission provisions that Uber had requested. Currently, the bill now establishes automobile insurance coverage requirements and when the coverage applies; provide for allowable insurance exclusions; and provide for the protection of lienholder interests. The bill now goes to the Governor's desk for his signature.