

KLPG Capitol Highlights

2017 Legislature, Week Twelve

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ONLINE SALES TAX

The Senate Tax Committee began working on SB 111 that would require online retailers and others who currently don't collect or remit Kansas sales taxes to start reporting those untaxed sales to the Kansas Department of Revenue. It would also require those businesses to notify their customers on each transaction that the sales tax is due, and they would have to provide them with an annual notice by Jan. 31 of each year of the total volume of purchases the customer had made during the preceding year. That presumably would give the state more ability to collect taxes directly from consumers who, under Kansas law, are still obligated to pay those sales taxes, even though few of them do. They are modeling it after a recent law in Colorado that the 10th U.S. Circuit Court of Appeals upheld last year saying it did not improperly interfere with interstate commerce. The Supreme Court later declined to hear an appeal of that decision. The committee took no action on the bill.

FLAT TAX FAILS

Senate Bill 214 pertaining to a proposed state flat tax failed in a 37-3 vote even though it was endorsed by Governor Brownback and Senate leaders. The Kansas Chamber of Commerce and the Kansas chapter of Americans for Prosperity opposed the bill which would have instituted a flat income tax rate of 4.6% in an effort to

help fill the \$1 billion budget hole growing over the next two years. The bill would have raised an estimated \$295 million in 2018 and \$357 million in 2019. Updated revenue estimates showing the amount Kansas can expect to receive over the next two fiscal years under current tax policy will be released on April 20th. Lawmakers will return May 1st work on the budget & tax package with the new projections in hand.

SCHOOL FUNDING INFUSION

The House K-12 Finance Committee, agreed to infuse \$150 million into schools for the next 5 years in respond to the March Kansas Supreme Court ruling that found the state's current K-12 funding unconstitutional & requires the lawmakers to adjust b June 30th. The \$750 million proposal isn't expected to reach a House vote until after the Legislature's three-week break, which starts Friday. That is so the Legislature can hire a constitutional attorney to review the panel's work.

REVENUES FALL SHORT

Kansas Department of Revenue reported that March tax collections of almost \$429 million, was nearly \$12 million short of projections. This is the first time in 5 months that tax collections did not exceed expectations.is now taxed at the lowest rate of 2.7%.

KLPG is a bipartisan, voluntary, independent, non-profit corporation comprised of elected county commissioners in rural counties interested in preserving & strengthening constitutional government.

KLPG Friday morning call-ins at 8AM during the legislative session. Call (605) 475-3235 & enter 301599#. Legislative update calls last 30 minutes. Our next call is April 14th.

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This is a summary of recent Kansas government and other statewide news, gathered and compiled independently by Pinegar, Smith & Associates from news media reports

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Capitol Highlights is a weekly legislative summary prepared

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LEGISLATURE ON HIATUS

Lawmakers gaveled out for a three-week break Friday, with the state budget, tax policy and school finance formula waiting for them unresolved when they return in May. Senate President Susan Wagle said senators would work on the school finance question over the break and that the governor has shown willingness to engage with lawmakers on a tax deal. Senate Minority Leader Anthony Hensley called his fellow lawmakers a “do-nothing Legislature” that should have finished tax, budget and school finance bills prior to any hiatus. However, House Speaker Ron Ryckman said the break was needed to rest, recharge and reconnect with friends & family. They all return to work on May 1st.

AMUSEMENT REGULATIONS TAKE NEXT STEP FORWARD

The Kansas House voted unanimously to pass a bill strengthening state inspection requirements for amusement park rides after the 10-year-old son of Representative Scott Schwab was killed in Kansas City, KS last August on the Schlitterbahn Park’s 17-story water slide. The bill will require owners of permanent amusement rides to have them inspected annually by a professional engineer and ride operators and patrons would be required to report serious injuries to the state. The bill now advances to the senate, where it is likely to be approved next week. Kansas has had little oversight of the inspection

process for amusement rides, and both Democrats and Republicans agree that the law needed to be strengthened. The bill given initial approval by lawmakers includes inspection requirements, reporting requirements for injuries, and creates a new fee fund that will help fund enforcement of the act if it becomes law. Representative John Barker said as it stands, the current Kansas amusement ride law includes some of the weakest regulations in the United States.

CONCEALED CARRY STANDS

An effort to force a debate on two amendments to a gun bill in the Kansas House failed Tuesday when lawmakers who want to narrow a concealed-carry law that takes effect July 1 did not muster enough votes to bring a bill onto the House floor. Supporters of the move wanted to exempt college and university campuses, as well as publicly owned health care facilities, from a law that will soon require them to allow people to carry concealed firearms in those facilities, but they needed a majority vote to bring an unrelated gun bill up on the daily calendar so it could be amended. That motion failed 44-81. The House’s action means the bill remains on the calendar, but is currently not scheduled for debate or a vote.

MEDICAID EXPANSION FAILS

The Kansas House fell three votes short of the two-thirds majority needed to overcome the governor’s veto of their Medicaid expansion bill that would have provided greater access to health care coverage for upward of 150,000 low-income Kansans. Although the bill sailed through the House and the Senate, the victories fell a few votes short of veto-proof margins in each chamber. Governor Brownback blocked the bill, which he called irresponsible citing unconstrained entitlement costs as an insurmountable burden the state budget. Kansas is one of only 19 states that have not expanded Medicaid access under the Affordable Care Act.

SPIRITS SALES TO INCREASE

The House approved a bill allowing Kansas convenience, grocery and drug stores currently limited to selling 3.2% alcohol by volume beer to begin

stocking up to 6% beer as of April 1, 2019. The bill also grants the state’s 700-plus liquor stores authority to begin selling cigarettes and other nonalcoholic merchandise if sales of those items didn’t exceed 20% of a retailer’s total gross sales. Sales of cigarettes and lottery tickets wouldn’t be included in the calculation of that cap. The bill was forwarded on a vote of 80-45 to the Senate.

OPEN RECORDS OVERTURN

In a 2-1 decision, the Kansas Court of Appeals overturned a 2015 Shawnee County District Court judgment by ruling that the Governor’s office was not required to make public, and can block all access to records pertaining to, applicants seeking appointment to Saline County commissioner positions in 2014. News outlets had filed suit considering the records to be public under the Kansas Open Records Act. State administration claimed they were not subject to KORA under a personnel records exception. The ruling could be appealed to the Kansas Supreme Court.

BIGGER RIGS IN KANSAS

HB 2095 cleared both chambers of the Legislature this week to allow Six-axle semitrailer-tractor vehicle combinations with a gross weight of up to 90,000 pounds will be allowed on some Kansas roads, but only if the vehicle is hauling agricultural loads. However, they cannot operate on interstate highways and must adhere to posted restrictions on bridges. The bill initially passed the House in February on a 77-48 vote. As it continued to move through the Legislature, language was added to restrict loads generally to farm commodities or livestock. The compromise language passed the Senate on a 38-2 vote Wednesday and on a 123-1 vote in the House Thursday. It heads to the Governor’s desk where if signed the new law would take effect July 1.

AIRPORT FOR GREENSBURG

Ten years after an EF5 tornado killed 11 people and wiped out most of the community of Greensburg, the Kansas Department of Transportation has awarded them a \$1.08 million grant to develop an airport. It’s the largest of 26 grants announced by KDOT for airport improvements. The Greensburg grant will fund grading and drainage to allow a grass runway. But that’s the first step of what city officials hope is a three-phase, \$3.6 million project to build a lit, 3,200-foot concrete runway that could accommodate medical planes.