

KLPG Capitol Highlights

2017 Legislature, Week Two

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MUNICIPALITIES SPEAK OUT AGAINST TAX LID

Leaders of groups representing Kansas counties were in Topeka last week for functions including workshops, receptions and one-on-one meetings with legislators. Their highest priority was discussing the repeal or overhaul of a state-imposed property tax lid that took effect in January and requires voters to approve property tax increases above the rate of inflation. The law contains exceptions for bond payments, spending on court judgments and other items. Legislators heard that the highest county mill levy in 2016 was 148.457 mills in Stanton County; the lowest, 19.59 mills, was in Johnson County & as of July 2016, 91 of the state's 105 counties had a countywide sales tax. Together, cities and counties collected \$616.5 million in sales and use taxes in 2016. Counties are more reliant than cities on property taxes, and the downturn in the oil/gas economy affected a lot of counties. Per Edward Cross, president of the Kansas Independent Oil & Gas Association, there's been a 21% drop in oil production in the state over the two years of 2015 and 2016. Counties repeatedly have sought authorization through legislation to put local sales tax questions before voters. Each time, the statute has been amended. Spokesperson for The League of Kansas

Municipalities' told a panel some communities are working in cooperation with local colleges, businesses and counties to foster economic development. Singled out several for praise were: Pittsburg, the city of McPherson, and Cloud County Community College for taking a partnership approach to boost economic development.

MARSHALL'S AG COMMITTEE ROLE EXPANDS

Newly sworn in Kansas Congressman Roger Marshall has been named to three subcommittees under the House Agriculture Committee. The Commodity Exchanges, Energy and Credit group deals with policies, statutes, and markets relating to commodity exchanges; agricultural credit; rural development; energy; rural electrification. The Livestock and Foreign Agriculture group deals with policies, statutes and markets relating to all livestock, poultry, dairy, and seafood, including all products thereof; the inspection, marketing and promotion of such commodities and products; aquaculture; animal welfare; grazing; foreign agricultural assistance and trade promotion. The Nutrition group deals with policies and statutes relating to nutrition, including the Supplemental Nutrition Assistance Program and domestic commodity distribution and consumer initiatives.

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 February 3rd.

2016 KLPG Officers and Executive Committee

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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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AMENDMENT SOUGHT TO DELAY REGULATIONS

Kansas Representative Steven Johnson & Roman Buhler, Madison Coalition Think Tank Director joined banking & car dealer lobbyists to support an amendment to the federal Constitution intended to strengthen the hand of Congress against regulation-writing. The coalition implored the House Federal & State Affairs Committee to rally behind a proposed constitutional amendment that would require federal regulations to be subjected to congressional approval if more than one-fourth of the U.S. House or U.S. Senate objected. A Kansas House resolution in support of the amendment passed the chamber during the 2016 session but wasn't heard in the Kansas Senate. The Kansas House committee didn't take action on House Concurrent Resolution 5022. A comparable measure passed the Kansas House 114-10 in March 2016. No one testified against the measure during the new committee hearing, but Representative Vic Miller, said a possible alternative to dabbling in the Constitution would be for

Congress to use existing authority to set regulatory frameworks rather than defer to others in the federal government.

JENKINS TO END POLITICAL CAREER

U.S. Rep. Lynn Jenkins who has been in Congress since 2009 and rose into a position in House leadership as vice-chair of the House Republican Conference announced in a statement that she will leave Congress after her current term ends and will not seek any office in 2018 thus ending speculation that she was considering a potential gubernatorial run but rather will explore opportunities to return to the private sector, allowing a new citizen legislator to step up and serve Kansans in the state's second congressional district, which includes Topeka. This announcement shakes up the Republican gubernatorial race, which has so far been quiet. Only Ed O'Malley, a former state lawmaker, has officially said he would run while Secretary of State Kris Kobach, Attorney General Derek Schmidt and Lt. Gov. Jeff Colyer all are remaining quiet on the matter of becoming candidates for the office.

BUDGET COMPROMISE COMMITMENT

Senate Republican & Democratic leaders along with House Democratic leadership met with The Capital-Journal's editorial advisory board to affirm a commitment to finding a compromise solution to the state's nearly \$350 million revenue shortfall & to ideally negotiate a deal acceptable to Governor Brownback. The 2017 Legislature has no clear consensus on a path forward, but a fix would likely involve spending reductions, drawing upon one-time sources of cash & tax policy reform. The revised budget needs a minimum 63 votes in the House, but if

vetoed by the Governor, an override would require that 84 members oppose the GOP governor. There is bipartisan interest in repealing the 2012 state income tax exemption granted owners of about 330,000 businesses in Kansas. It costs the state about \$250 million annually & is among the governor's most cherished tax policies. The Governor wants to cash out a \$317 million long-term investment portfolio held by the state, sell the next 30 years of national tobacco company settlement payments to Kansas & raise liquor, cigarette & business taxes. Some lawmakers are interested in raising the state tax on gasoline.

CHANGE IN APPOINTMENT DUTIES

Senate Bill 23 would allow the insurance commissioner to appoint the securities commissioner, rather than the governor. The Senate would still have to confirm the individual. State budget director Shawn Sullivan estimates the legislation would save about \$650,000 next year & \$900,000 the year after. Brownback questioned the need for the two separate offices during his State of the State speech earlier this month. Insurance Commissioner Ken Selzer told the Senate Financial Institutions & Insurance Committee that other states have already consolidated the two offices because the two offices advocate for & license many of the same people. Advisors Excel, a marketing organization that serves insurance producers & financial professionals, endorsed the proposal. Former securities commissioner David Brant & Roger Walter, a former general counsel to the securities commission office spoke in opposition, stating that each office require staffs with separate expertise & skills may lead to the insurance industry to influence securities enforcement. The legislation would also consolidate criminal prosecution of fraud into the attorney general's office. Attorney General Derek Schmidt, who opposed the idea last year, appeared in support

this time, saying his concerns over technical flaws have been addressed.

ABANDONED PROPERTY RIGHTS DEBATED

At a hearing before the Senate Ethics, Elections and Local Government Committee several municipalities asked lawmakers to expand their powers to tackle abandoned property. Under current law, residential property must be delinquent on property taxes for two years and have been unoccupied for 90 days to be considered abandoned. Topeka Mayor Larry Wolgast provided testimony in favor, arguing abandoned property harms neighbors and neighborhoods. Topeka has been battling abandoned property, with several hundred vacant houses throughout the city. Current demolition efforts have tackled a small fraction of the properties. In his testimony, Senator David Haley - who has opposed the measure in the past believing there are scenarios where non-abandoned property could be taken - now says he is neutral on the bill because no one likes blight, but he still cautions against the potential for abuse.

RURAL JOBS ACT INTRODUCED

After months of preparation Representative Troy Waymaster introduced the Ad Astra Rural Jobs Act, House Bill 2168. The bill aims to urge investors to put money toward business growth, in exchange for income tax credits, and enabling individuals or companies wanting to expand or create jobs in rural markets to obtain a loan. It defines "rural area" as not within a city with a population of greater than 60,000. There is flexibility written into the bill, but it is targeted at helping operations related to manufacturing, plant sciences,

technology, or agricultural technology. There would be requirements for applying for a loan, including paying a nonrefundable application fee not to exceed \$5,000. The Commerce Department or its designee would oversee the program.

FARM BILL HEARING IN KANSAS

Pat Roberts, chairman of the U.S. Senate Committee on Agriculture, Nutrition and Forestry and ranking member Debbie Stabenow, co-announced the nation's first farm bill hearing will take place in Kansas on February 23rd at McCain Auditorium on the Kansas State University campus in Manhattan. The hearing will be webcast live on ag.senate.gov and will feature testimony from a variety of agricultural producers, who will be announced soon.

CAMPUS CARRY EXEMPTION SEES SUPPORT

Scores of people turned out for a 90 minute Senate Federal and State Affairs Committee hearing to voice their support for Senate Bill 53 that would allow public colleges, universities and local governments to continue banning the carrying of concealed weapons in public buildings. The committee also heard from gun rights advocates who opposed the bill, including former legislators who helped write it. In 2013, lawmakers passed a bill requiring that most public buildings allow people to carry concealed weapons unless the governing body in charge of the building provides adequate security to ensure that nobody can bring a weapon inside. Public colleges and universities, along with cities and counties, were allowed to exempt themselves from that law for four years. That four-year period is set to expire July 1. Chairman Senator Jacob

LaTurner said he plans to have the committee debate the bill, consider amendments and vote on whether to send it to the full Senate sometime next week.

CRIMINAL SENTENCE CHANGES APPROVED

The House Corrections and Juvenile Justice Committee approved a package of four bills: House Bill 2049, would create special sentencing rules for nondrug felonies committed against law enforcement officers on duty, as well as those off duty but targeted because of their employment as law enforcement officers; House Bill 2092 would increase to \$1,500 the amount of property loss constituting a felony offense; the current loss amount related to felonies is \$1,000; House Bill 2089, would amend the punishments for tampering with electronic monitoring devices; House Bill 2093, would allow certain juvenile convictions to not be considered part of a person's criminal history after a period of five years.

PERSONAL PROPERTY TO BE PROTECTED

The House Judiciary committee focused on House Bill 2018 last week. The legislation would require a criminal conviction before a property owner's assets can be forfeited. Lawmakers may take action on the bills as early as next week. The conservative Kansas Policy Institute, the ACLU and the social justice group Interfaith Action all backed the proposal. They also heard testimony on House Bill 2001 which would remove a requirement that city and county law enforcement agencies make annual reports on forfeited property, the amount of forfeited proceeds and how the money was spent. No one spoke in favor of the bill, and both the ACLU and Kansas Policy Institute testified against it.