



# Kansas Rural Center Legislative Policy Watch

Issue No. 3, January 21, 2022

**Legislative Policy Watch** is a weekly online publication of the Kansas Rural Center (KRC) during the State of Kansas legislative session. KRC is a private, non-profit organization that promotes the long term health of the land and its people, through education, research and advocacy that advance an ecologically sound, economically viable, and socially just agriculture.

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## REDISTRICTING ROLL OUT

The rush is on to create acceptable Republican Congressional districts. The Republican legislative leadership have laid their gerrymandered Congressional maps on the table and the Senate Redistricting Committee moved a map to the Senate floor on a partisan vote of 6 to 2, where the map was passed by the full Senate on Friday. The House Redistricting Committee is also rushing their hearings with a vote is expected early next week.

Regardless of the public testimony at the virtual hearings last fall and in committee, most all conferees pleaded to keep Wyandotte and most of Johnson County in the 3<sup>rd</sup> district to no avail. The Senate Republican map – Ad Astra 2 – cuts Wyandotte County in half keeping the southern part in the 3<sup>rd</sup> and the northern part in the 2<sup>nd</sup>. A portion of Lawrence (Douglas County) is placed in the Big 1<sup>st</sup> that stretches the entire length of the state.

The Republicans have been crystal clear in drawing a Congressional map to elect 4 Republicans to Congress while claiming it is all about the math (i.e. maintaining an equal population in each district). The adopted legislative redistricting guidelines that required compact districts of community interests (i.e. racial, cultural, ethnic and economic) understandable by the voter, seem to have made no difference.

If this map passes over a Governor's veto, it will be challenged in federal court and the guidelines may be taken more seriously. This map refers only to the Congressional Districts; consideration of State Legislative District maps will follow.

To view the proposed 5 congressional maps and accompanying demographic data go to the Kansas Legislative Research Department [HERE](#)

The League of Women Voters of Kansas proposed the Bluestem Congressional map. The League gave detailed testimony on how this map was developed. Click <https://files.constantcontact.com/70c50107001/f25e163d-add3-493c-bc1e-979619865b1d.pdf>

For more coverage of the Senate Redistricting Committee hearing click here: [HERE](#)

## ENDING FOOD SALES TAX PROPOSALS Brief

Several different versions of bills to end the state's food sales tax have been introduced. The Governor's bill (**SB 339**) refers only to grocery food sales. Senate and House Democrats' bills cover both grocery food sales and restaurants, which would double the fiscal impact. These also include farmers' markets. Food is defined to include soda and candy which will prompt some controversy. Also, questions will arise about food purchased in convenience



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stores, etc. Then there are those will who want to attach other sales tax issues to what the Governor explained should be a simple food sales tax elimination bill. Expect some interesting debates on this issue.

Last week's hearing on SB 339 was cancelled due to Covid related staff shortages.

Hearings are scheduled next week for both **HB 2484** and **HB 2487** in House Committee on Taxation Tuesday January 25 at 3:30 p.m. HB 2484 covers only food sales; HB 2487 includes farmers market food sales. Expect more detail in next week's Policy Watch.

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## NEW COALITION ADVOCATES FOR FOOD AND FARM FUTURE

Several Kansas food, hunger, and farm advocacy organizations have joined forces to create the Kansas Food and Farm Coalition. Members include KC Healthy Kids, Kansas Food Action Network, Harvesters-The Community Food Network, and the Kansas Rural Center.

Recognizing how interconnected food system issues are, these organizations will work together to support policies that grow Kansas communities' local food systems. This includes policies that support small and mid-sized farms, increase production and sales of locally grown foods, increase access to healthy food for all, and reduce food insecurity in our communities. This year's priorities are the elimination of the food sales tax, protecting nutrition and food assistance for individuals and families, and supporting local food procurement and promotion.

KFFC testified this past week before the House Children and Seniors committee on the efforts of food banks and the importance of SNAP enrollment, as well as how the coalition members are working to strengthen food systems across the state.

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## ANTI WIND/SOLAR FARM LEGISLATION

**SB 325** which would establish county zoning requirements for solar and wind facilities, is scheduled for hearings next week before the Senate Local Government Committee in 142-S at 9:30 am. The proponents will testify on Tuesday - January 25- and the opponents on Thursday – January 27. This bill is another state mandate taking over local, county control. Several counties are not now zoned but would need to adopt zoning regulations to allow property owners the opportunity to use their property for wind or solar. Land would have to be converted from agriculture to industrial zoning for these renewable energy projects. There would be expanded opportunities to file county protest petitions to slow down or possibly halt any project.

Two other anti-wind bills – **SB 323** and **SB 324**– will be heard before the Senate Utilities Committee at 1:30 pm in 548-S. SB 323 will be heard on Wednesday – January 26. SB 324 will be heard on Thursday – January 27. The Chairman of Senate Utilities (Sen. Mike Thompson) introduced these bills on January 12 and now hearings will be held two weeks later

Another anti-wind bill ( **SB 353**) has been introduced but no hearings have been scheduled. This bill details setback distances from nonparticipating landowners in any wind facility construction that would in effect stop future wind development in the state.

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It has been nearly a year and the 2021 February natural gas freeze has been responded to but the reason for the skyrocketing prices is still unresolved. How did natural gas prices go from \$2.54 per thousand cubic feet (mcf) on February 1 to \$622.78 per mcf on February 17 is still to be explained. There were key actions taken by the Governor's office, the KCC, the Attorney General as well as the Kansas Legislature. Conservation played a significant role as schools, hospitals, industrial/commercial customers and residential users dialed way back their use of natural gas so that the supply was never shut-off. With certain legal protections triggered, natural gas prices to customers were scaled back considerably but not completely.

On February 14 of last year, the Governor declared an emergency winter event disaster that triggered the Kansas Consumer Protection Act that limited the price to 25% above pre-pandemic levels. The Attorney General opened an investigation that triggered the Kansas False Claims Act to claim an 'unconscionable price'. On February 15, the KCC issued an emergency order guaranteeing uninterrupted service for all customers while the price was being negotiated. The Kansas Legislature used idle state funds to create a low-interest cost municipal gas loan act and low-interest business loans. The Kansas Legislature also passed a provision for rate-payer backed bonds to be issued at very low interest rates to pay off the higher natural gas prices over several years for the large investor-owned utilities – Kansas Gas Service and Black Hills. The extra customer charges to repay these bonds are still being debated at the KCC.

There is a large segment of the commercial and industrial customers that are independent of the KCC regulated investor-owned local gas distribution companies. 185 school districts in Kansas along with many hospitals and large industrial customers buy natural gas directly from the suppliers (pipelines). For many years, these customers played the independent spot market and saved considerable dollars on natural gas prices. Most of these customers did not have long term guaranteed price protection contracts so when the prices skyrocketed they had little protection. However, the Kansas Consumer Protection Act and the Kansas False Claims Act still applied for some price protection. At this point, 427 disputes have been settled with reduction in the prices from 20-55%. Normal natural gas prices in February are in the \$3-\$5 level and these settlements are coming in at \$9/mcf to a few cases of \$25/mcf.

At this point, there is still no clarity on how this natural gas market was so manipulated and the role speculators played in the derivative markets. While the customers in Kansas had leverage with their suppliers, it is uncertain the pricing battles between the pipelines and the actual natural gas producers and speculators?

The KCC has thrown the responsibility to the Federal Energy Regulatory Commission (FERC) in Washington. FERC has been pretty nonchalant in claiming this February event was just an 'anomaly'. Other states such as Texas or Oklahoma have made little progress in solving this pricing conundrum. The Kansas AG has special investigative powers the KCC lacks, and can delve into these pricing battles but has to hire special legal counsel with certain skills to decipher this situation. The Kansas House Energy, Utilities and Telecommunications committee will hold a hearing on [HCR 5023](#) - denouncing price gouging and market manipulation - on Thursday – January 27 at 9am in 582-N.

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## **MILK AND DAIRY PRODUCTS REGULATION**

The Kansas Department of Agriculture (KDA) has requested legislation ( [SB 346](#)) to update, clarify labeling and extend certain dairy processing fees from 2023 to 2028. In 2019, KDA's restrictions on advertising for raw milk on-farm sales was declared unconstitutional. At that time, the only advertising by a raw milk dairy was to have a sign at the farm to inform the public. That is now gone and social media can be used but the sales of raw milk can still only happen at the farm.

The battle now is over the required label that must be used. The label in this bill is "This product contains raw milk that is not pasteurized and could contain bacteria that may cause food borne illness". Opponents are opposed to this language on food borne illness and want the label to read "This product contains raw milk and is not pasteurized". There is also concern over the definition of 'imminent health hazard' and the new power that gives KDA's Secretary to respond. The Kansas Senate Agriculture and Natural Resources committee held a public hearing on [SB 346](#) on Thursday January 20 that can now be viewed at <https://www.youtube.com/watch?v=JFe3wGN5W00>

The number of dairies in Kansas has fallen since 1987 when there were 3,093 with 96,675 cows. Today the number is 214 dairies with 175,000 cows. The 30 mega-dairies (1,500 to 10,000 cows) in southwest

Kansas account for 80% of milk production in Kansas. Raw milk dairies are not licensed or registered by KDA. A best guess is there might be 45 such dairies in Kansas but there is no central registry. There are no organic dairies in Kansas. The Kansas Livestock Association testified in favor of all dairies being licensed but at this point that provision is not in this bill.

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## HEARINGS Week of January 24

*Note: Calendars are set by committee chair discretion so are subject to change. Check the daily calendar at [http://kslegislature.org/li/b2021\\_22/chamber/calendars/](http://kslegislature.org/li/b2021_22/chamber/calendars/)*

**Hearings are also available remotely.** See <http://www.kslegislature.org/li/> Go to Audio/Video broadcast box on right side of page.

### SENATE

**SB 325** Tuesday Jan. 25 (Local Government Committee. Rm 142-S, 9:30 a.m.) Zoning of wind and solar energy easements and leases (Proponents.) **SB 325** Thursday Jan. 27 Opponents.

**SB 323** Wednesday Jan. 26 (Utilities Committee Rm 548-S, 1:30 p.m.) Establishing requirements for instruments that convey wind or solar lease or easements, and disclosures for landowners; and **SB 324** day and time.) Establishing procedures that may be used to void or terminate leases or agreements for electricity generation from wind or solar resources.

### HOUSE

Monday Jan, 24, (Water Committee Rm 152 S, 9 a.m.) **Update on Kansas Department of Agriculture's Division of Conservation, Mission, Programs and budgets**

Wednesday, Jan. 26 (Water Committee Rm 152-S 9 a.m.) **Informational Briefing on Annual Report & Status of Kansas Water Plan** by Connie Owen (KWO Director) and Dawn Buehler (KWA chair)

**HCR 5023-** Thursday Jan. 27 (Energy, Utilities, & Telecommunications, Rm 582-N, 9 a.m.) Hearing-price gouging and market manipulation during Feb. 2021 extreme weather event.

**HB 2484-**Tuesday Jan. 25 (Taxation Committee, Rm 346-S, 3:30 p.m.) Establishing 0% state sales tax on food and food ingredients. **And HB 2487** Tuesday Jan. 25 Establishing 0% sales tax on food and food ingredients, and at farmers' markets.

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If you are receiving KRC Policy Watch through one of these organizations and have questions, contact the organization directly.

If you wish to be removed from the KRC list, contact [info@kansasruralcenter.org](mailto:info@kansasruralcenter.org)

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