The Kansas Legislature has reached the mid-point of the session. Both houses adjourned by late Wednesday February 23 after passing 35 bills in the House and 35 bills in the Senate. Only bills passed out of their respective chambers to be considered by the other chamber, or “blessed” or exempt from the “Turn Around “deadline of Feb. 24, will continue to be worked. Basically, controversial or contentious and major issues are yet to be resolved. These issues include the state budget, school and public education, all tax policy issues, some health concerns, and a resolution regarding a change in administrative control over rules and regulations among miscellaneous other issues. All this means a complex final few weeks of the session. The Legislature returns Tuesday March 1 with an April 1 as tentative deadline for first adjournment ,and the veto session beginning April 25.

By Paul Johnson

WATER REFORM LEGISLATION PROGRESS

The transformational, mega-water bill – HB 2686 – was first introduced in the House Appropriations committee and then assigned to the House Water committee thus there are no legislative deadlines on considering this bill during this session. The House Water committee held two days of staff briefing, two days of public testimony and two days of committee discussion. Come next Tuesday – March 1 – the House Water committee will start considering amendments to this 283-page bill.

There were many concerns stated over the administrative structure, the higher fees and the governance changes made to the Groundwater Management Districts (GMD’s). One key concern is how environmental concerns are properly balanced? Since there are many environmental responsibilities outside of water, how are those programs properly focused and is this new Department of Water and Environment the proper place? Even though the State Water Plan Fund is severely underfunded, the various large farm special interests object to any reasonable water use fees (even though 85+% of water use in Kansas is crop irrigation)? One amendment to be discussed is to delay any change to GMD governance for now but still require the GMD’s to file annual usage and conservation reports to the Legislature. There will be numerous other amendments proposed, discussed and possibly adopted.

While the House Water committee has held numerous meetings on water policy from last session to the current session, such has not been the case for the Senate. It is hard to read how involved or informed the Senate is on these transformational changes.

To this point the key executive agencies - from the Kansas Water Office to the Kansas Department of Agriculture to the Kansas Department of Health and Environment - have not provided a view point but have been at the hearings to answer committee questions. So far there has not been a precise fiscal note developed for this legislation.
There is some talk of an interim legislative committee this summer and fall to fine tune the legislation and have a consensus agreement ready for the 2023 session. There is also discussion of having a Legislative Post Audit researching organizational options to a funding profile. Only time will tell the priority this bill has with key legislative leaders in relation to all other priorities and whether in an election year is this a priority to pursue.

A hearing on HB 2686 will be continued in the House Water Committee on Tuesday March 1, 9 a.m.

HOUSING LEGISLATION PROGRESS

Three housing bills (SB 369, 375, 376) have been voted out of Senate Federal and State Affairs committee. SB 369 & SB 375 were placed in an already passed House bill (HB 2212) so the new bill is now S Sub HB 2212 concerning taxation and enacting the Kansas affordable housing tax credit act and the Kansas housing investor tax credit act thus providing tax credits for qualified housing projects. Kansas Legislative Research Department Supplemental Note explains these two acts in detail:


SB 376 concerns economic development, relating to housing and the Kansas rural housing incentive district act that also includes the City of Topeka. It expands the availability of loans and grants to rural communities and the City of Topeka for moderate income housing. See the Supplemental note on SB 376.

The housing debate has been on the Senate side so it will take an educational effort to get consensus from the House. There will be a House/Senate conference committee of 3 House members and 3 Senators to handle the newly created S Sub HB 2212. The good news is that housing advocates and economic development directors across Kansas have pressured the Kansas Legislature to get something done. The Kansas Statewide Housing Needs Assessment that came out in December underscored the desperate need for affordable and available housing in all regions of Kansas.

There is also a special effort by a range of advocates to take $50 million from the federal Covid relief fund (known as SPARK) and put that into the State Housing Trust Fund for Kansas Housing Resources Corporation to move on already submitted affordable housing projects. This legislative process has a lot of work yet for these housing proposals to attain completion.

WEALTH DAY THURSDAY, MARCH 3!

Join a host of climate action organizations across Kansas for WEALTH Day: For the Good of ALL Kansans next Thursday, March 3rd, 2022.

This annual advocacy event increases awareness of and engagement around climate policy. Preserving our Kansas WEALTH resources — Water, Energy, Air, Land, Transportation, and Health — builds community resilience, improves health outcomes, and safeguards the future of our state. Visit https://climateandenergy.org/event/2022-wealth-day/ to learn more and register.
Thursday, February 24th (Turnaround Day)
Last day to consider non-exempt bills in house of origin.

Wednesday, March 23rd (Second Chamber Consideration)
Last day to consider non-exempt bills not in originating chamber.

Friday, April 1st (First Adjournment)
No bills considered after this date except bills vetoed by governor, omnibus appropriations act and omnibus reconciliations spending limit bill.

Veto session is anticipated to begin on April 25th.

Exempt committees:
House and Senate Federal and State Affairs, Senate Ways and Means, Senate Assessment and Taxation, House committees on Calendar and Printing, Appropriations, Taxation or select committees of either house when so authorized.

Or click here to register.

The day (9 a.m. to 5 p.m.) will include: Toolkit for Digital Advocacy; Advocacy Training; Legislative Debrief; Ks. Energy Efficiency Investment Act (KEEIA) debrief; Legislative Panel; Youth Power Coalition Panel; and a closing session.

Co-sponsors include: Climate and Energy Project, Kansas Natural Resource Council, Ks. Chapter of the Sierra Club, Friends of the Kaw, Metropolitan Energy Center, Kansas Rural Center, and more.

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FOOD SALES TAX BRIEF

Policy Watch will have a longer update next week on the status of the various proposals. Basically, the fate of the elimination of the food sales tax will be determined along with the other tax bills and budget issues. The simple elimination of a food sales tax has been complicated by a number of proposals. SB 339, the committee bill was passed with numerous amendments adding restaurants, utility, and movie theaters to the elimination, which combine to significantly increase the cost of the bill. HB 2711 was introduced Feb. 15 and includes a gradual reduction to elimination of the sales tax over 3 years.

Hearing on HB 2711 in House Tax Committee on Tuesday March 2, 3:30 p.m.
Contribute by M. Fund

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BUDGET OVERVIEW KDHE DIVISION OF ENVIRONMENT

The Kansas Department of Health and Environment (KDHE) had a budget of $3.8 Billion in 2022 and a projected budget of $4.16 Billion in 2023. This agency is divided into three main divisions: the Division of Public Health (that works with local health departments via public health services and regulatory programs), the Division of Health Care Finance (that oversees the State’s Medicaid and Children’s Health Insurance programs), and the Division of Environment (that protects the environment and public health through compliance, enforcement and proactive activities).

In terms of budget for these divisions for 2022 – Public Health was at $370 million, Health Care Finance at $3.19 Billion, and Environment at $200 million (from a 2020 budget at $80 million). These divisions’ budgets were substantially increased due to the Covid-19 federal pandemic relief that will phase down in 2023.

The Division of Environment includes the bureaus of Waste Management, Air, Water, Environmental Remediation, Environmental Field Services, and the Health and Environment Laboratories. The total number of employees is 417 although some of the staffing for Covid-19 testing will be reduced as federal funds lessen. Covid-19 testing climbed to 45,000 in November 2020 and peaked at 65,000 in January 2022. In 2022’s $200 million budget for Environment, 72% federal, 14% from trusts, 9% from fees, 2%
from the State Water Plan, and 2% from the State General Fund (SGF).

Since 2011, SGF funding for Environment has fallen from $7.5 million to $4.3 million. Environmental Expenditures for 2022 is 52% contractual services, 24% commodities, 18% salaries/wages, 4% for aid/assistance and 1% capital outlay.

For 2023, the Governor and the State Finance Council have approved $65 million for a new KDH&E laboratory that will be constructed on a state public parking lot just west of the Kansas Supreme Court. This new lab replaces the existing lab at Forbes field that was retrofitted from a WWII field hospital. Now that funding has been assured, the exact planning for this three-story facility can commence with an estimated completion date in 30 months. There is some hope that federal funds may well be available for a good portion of the $65 million cost.

As you look at the attached power point presentation from Leo Henning, Deputy KDH&E Director and Director of Environment, the specific tasks and primary responsibilities of the five Bureaus and the KDH&E Lab are listed. There is a state map showing environment staff distribution and their location. The key federal environmental acts are listed. There are problems with retaining staff and having competitive salaries with the private sector. Professional staff (geologists, chemists, engineers, etc.) often leave shortly after completing their training at KDH&E.

The new federal infrastructure funding will bring $79.4 million to the Bureau of Water for the state revolving loan program, lead line replacement and emerging containments this year and $460 million estimated over 5 years.

In terms of water and the role the Environment Division plays, the Kansas Water Office developed a program manual last October listing the state and federal water programs with KDH&E’s programs on pages 15-23 Here

ENERGY BILL UPDATES

Out of eight or more anti-wind energy and other energy bills introduced in the Legislature, all but 3 are considered stopped for the session. As reported last week, SB 353 and SB’s 323 and 324 did not have enough support to be voted out of the Senate Utilities committee.

SB 353 tackled setback and construction requirements that if implemented would have stopped all further wind development in the state. SB 323 and 324 addressed wind and solar leases, disclosures, measurements and lease terminations.

Still in play, though, are SB 349, the rate freeze bill; and SB 478, a bill to require lighting adjustments to existing and future wind turbine towers to reduce the visual impact, and SB 374 which would discontinue the property tax exemption on new renewable energy developments in the state.

(Contributed by M. Fund)

AGRICULTURE PIPELINE BILL ADVANCES

The agriculture pipeline bill HB 2531, “allowing certain persons to use the right-of-way of any county road or township road to install, maintain and operate one or more pipelines for agricultural activities”, passed out of the House Agriculture Committee and was referred to Committee on Appropriations so it could survive the “out of house of origin” deadline of Feb. 24, and still be addressed in the Senate.

Agricultural activities are defined by statute KSA 2-3203 as the “growing or raising of horticultural and agricultural crops, hay, poultry, and livestock, and livestock, poultry and dairy products for commercial purposes and includes activities related to the handling, storage, and transportation of agricultural
commodities.”

This bill was introduced at the urging of the Kansas Livestock Association and was a result of a court award against a Phillips County hog farmer for installing underground pipe to transfer swine urine and feces effluent from a confined swine facility across neighboring property to be sprayed on crop fields with irrigation pivots. (See more here.) Neighboring landowners were concerned about the spraying of hog effluent close to their homes and property. Basically, the court found in their favor by agreeing that the law did not currently allow such underground pipelines. So, the livestock industry decided to change the law.

HB 2531 establishes certain authorities for county commissioners to allow such pipelines on public right of ways for ag purposes. Application would be made to the county for permission, and the county would have to notify neighboring landowners within ¼ mile.

According to the Kansas Reflector, “Unresolved questions about what happened when pipelines changed ownership, when pipelines were abandoned or when compensation should be paid to nearby landowners led to referral of the bill back to a committee for additional work.”

See Here for more.

Read more at: Phillips County Jury Sticks Hog Producer with judgement in Rare Trespassing Case August 5, 2021

(Contributed By M. Fund)

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CALENDAR Week of February 28

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/

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

Hearing on HB 2711 in House Tax Committee on Tuesday March 2, 3:30 p.m.

Hearing on HB 2686 will be continued in the House Water Committee on Tuesday March 1, 9 a.m.

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FEDERAL FOOD AND FARM NOTES

USDA $1 billion Available for Climate Smart Marketing Efforts

From NSAC February 24, 2022

Earlier this month, the US Department of Agriculture (USDA) announced it will provide $1 billion in funds from the Commodity Credit Corporation (CCC) (15 U.S.C. 714 et seq.) to fund pilot projects aimed at “creat[ing] market opportunities for commodities produced using climate-smart practices.” While supporting agricultural practices, the program emphasizes marketing. Read more Here

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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

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