PUBLIC WATER SUPPLY DEBATE

Major changes to water agencies may be stymied for now, but water is still a serious priority. Providing for future public water supply needs now is critical. The Kansas Water Office (KWO) operates the Kansas Water Marketing, Water Assurance and Access District programs as part of its overall Public Water Supply (PWS) Program.

KWO has developed the Public Water Supply Program Comprehensive Capital Development Plan (CCDP) in order to account for all revenues and expenses related to the State’s public water supply storage, and to provide long-term planning of future program needs. This includes acquisition of all the water supply storage under federal contracts, potential new storage development, and protection/restoration of the storage owned by the State.

Kansas has contracts with the Corps of Engineers (CORPS) for purchase of water supply storage in 14 reservoirs. Eleven of these have storage currently committed to, and being paid for, by the customers of the Water Marketing Programs. Eight of the reservoirs have storage that has been sold to Assurance Districts for district members. Five of the reservoirs (Big Hill, Clinton, Hillsdale, Milford and Perry) have Future Use storage that has been purchased by the State but has not yet been called into service.

The State owns the storage but does not control it until brought into service. These five reservoir storage purchase obligations to the CORPS have different end dates from 2028 for Clinton to 2041 for Perry. Kansas has options to pay off these obligations. The first is to pay-off the current balance for all five at a one-time cost of $136 million. A second option is to amortize the current balances to the end of each contract for a total cost by 2041 of $181.8 million.

The debate in the Senate Ways and Means committee was to pay-off the current balance for Big Hill, Clinton and Hillsdale now ($80 million cost) and continue with the amortization of payments for Milford and Perry. These three reservoirs have paying customers so some revenue could be generated to develop a payment plan for the other two.

While Big Hill, Clinton and Hillsdale have 14,143 to 35,766 to 40,177 acre-feet of future-use water storage, Milford has 235,010 acre-feet for future use and Perry has 156,288 acre-feet. Currently, Milford and Perry have very few marketing customers. Kansas can pay-off these storage obligations but until the water supply is called into service, Kansas is not liable for operation and maintenance costs by the CORPS. If Kansas pays off these future use water supply storage capital costs, it has more control with the CORPS to protect these public water supplies. Two-thirds of all Kansans are supplied by these public water contracts.
The Senate Ways and Means committee is debating the mega-budget for the State. Will there be $80 million (for 3 reservoirs) or the full $136 million (for all 5) available now for these one-time payments? These water supply contracts with the CORPS will be paid one way or the other – by balloon payments now or amortized over years, or a larger balloon payment at the end of each contract.

This request from KWO to consider these one-time payments now were not in the Governor's Budget recommendation. To this point, this debate over these public water storage contracts has been on the Senate side and the House has yet to weigh in with any recommendation. Given the uncertainty of other State expenditures and any changes to the revenue picture, this water decision will not be settled till the final Omnibus Bill that will come in the veto session in early May.

**INCOME AND HOUSING TAX CREDITS**

The Kansas Senate passed amended **SB 282** by a vote of 33 to 4. The original bill created new income tax credits for graduates of certain aerospace and aviation programs, and their employers for tax years 2023 through 2027. Several amendments were made on the Senate floor. This bill would now create a new income tax credit for teacher supplies and increase the residential property tax exemption ($20,000 now to $65,000) from the statewide school finance levy.

Two housing amendments were added enacting the Kansas Housing Investor Tax Credit Act (HITCA) and the Kansas Affordable Housing Tax Credit Act (AHTCA).

The fiscal note for each portion is the following. The aviation and aerospace tax credits would reduce revenues to the State General Fund (SGF) by $7.9 million annually. The residential property tax exemption would reduce state revenues by $90.6 million beginning in FY 2024. The teacher classroom supplies credit would result in a reduction of $10.4 million annually.

The Kansas Housing Investor Credit Act would apply to housing projects in 98 counties and decrease SGF revenues annually by $18 million. The Kansas Affordable Housing Tax Credit Act would enact state low-income housing tax credits to match the federal low-income housing tax credits of $7 to 8 million annually that Kansas receives.

These amendments all came from Senate bills, so the Kansas House has not yet dealt with these specific amendments. This is the start of building a tax reduction package that can find consensus between the Senate and House. The issue of grocery and/or food sales tax reductions will be part of this process. **SB 282** will be heard before the House Taxation committee on March 16.

FOOD SALES TAX UPDATE

No less than seven bills have been introduced regarding elimination or reduction of the State sales tax on food. Action on any specific option will be tied up in the final budget and tax bills nearer the end of the session.

Next week, HB 2711 will see possible Final Action in the House Taxation Committee on Tuesday March 15. Advocates of the reduction hope to bring an amendment to include farmers market and direct farm to consumer sales to the bill. Once passed, both chambers will have the chance to debate their proposals with the issue likely to end up in a conference committee in coming weeks. SB 339, the Senate’s version which includes a restaurant exemption, still awaits Senate floor action.

by M. Fund

EMPLOYMENT REQUIREMENTS FOR FOOD ASSISTANCE PLACE BURDEN ON STATE’S MOST VULNERABLE

The Kansas Food and Farm Coalition provided testimony at the March 10 hearing of SB 501 “requiring employment and training to receive SNAP (food) benefits and requiring cross checks and verification to receive public assistance.” The sole supporter of the bill was Opportunity Solutions Project, which according to the Kansas Reflector is a lobbying arm of the Koch-connected Foundation for Government Accountability that advocates in statehouses across the country for restrictions to Medicaid and food assistance, as well as unemployment aid.

Kansas based groups including Harvesters, Kansas Action for Children, Kansas Appleseed, the Kansas Hospital Association and others, including over 30 written opponents, testified against the bill. They argued that it makes it more difficult for vulnerable citizens to access food and health care, and pushes the burden onto food pantries and results in reduced medical care. The Senate Health Committee may take action on the bill next week.


by M. Fund

REDISTRICTING PAUSE for Congressional Maps

While the court battles heat up over the gerrymandered Congressional map passed overriding the Governor’s veto, the legislative district maps for the Kansas Senate, Kansas House and State Board of Education have yet to surface publicly. In terms of the Congressional map, the Attorney General first stated that the Kansas Supreme Court has no authority to review Congressional maps. This request failed, so the second plan was to request to the Kansas Supreme Court that the three lawsuits (one in Douglas County and two in Wyandotte) be consolidated and taken immediately to a hearing before the Kansas Supreme Court.

That motion was denied, and the lawsuits are starting to proceed in the District Courts.
The traditional candidate filing deadline is June 1 but if maps are not completed by May 10, the filing deadline can be moved to June 10. Other states such as Ohio have constitutional restrictions to gerrymandering, while the Kansas Constitution is silent.

The U.S. Supreme Court has just ruled the Congressional maps in North Carolina and Pennsylvania - drawn by state courts - can stand thus denying the objections filed by their State Legislature. But that decision also punted the real decision about federal and state election powers down the road to a later debate—one that will not impact the 2022 fall elections.

State legislative district maps are far more real and personal to incumbent legislators. Every effort is made to not pair up incumbent lawmakers if at all possible. This incumbent protection phrase is in the legislative guidelines approved by the House and Senate.

‘Behind closed doors political maneuvering’ is integral to redistricting. Legislative leaders can use the threat of a redrawn district as leverage for votes on key policy priorities. There are always several retiring lawmakers so that can figure into map drawing. 

After this week, there are just three weeks left before the April 1 ending of the regular session. Again, supermajorities in the House and Senate will be required if there is a Governor’s veto. It is also possible that Republican leadership was ready to battle over the Congressional map, but may be working with both parties for some broader consensus and acceptance of the new legislative district maps.

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**STATE SENATE LEGISLATIVE REDISTRICTING MAPS POSTED**


House redistricting maps have not yet been introduced.

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**MORE CONSTITUTIONAL AMENDMENTS INTRODUCED**

There is already one constitutional amendment on the August primary ballot—abortion and women’s health rights. Another proposed constitutional amendment ([HCR 5014](http://www.kslegresearch.org/KLRD-web/Redistricting-2022-Plans.html)) to give the Legislature the authority to revoke or delay administrative rules and regulations passed the Kansas House with a constitutional majority vote (85) and is now before the full Senate after being recommended for approval by the Senate Judiciary committee.

Now the constitutional amendment juggernaut turns to the selection of Kansas Supreme Court Justices. **SCR 1621** proposes a constitutional amendment to provide that the Governor will appoint supreme court justices subject to senate confirmation (and to eliminate the supreme court nominating commission). **SCR 1622** proposes a constitutional amendment to provide for partisan statewide election of the supreme court (and abolish the supreme court nominating commission). Many states do have partisan elections for supreme court justices and ‘dark money’ private campaign contributions drive these elections. The independence and integrity of the judicial system comes into serious debate.
ENERGY BILL UPDATES

Senate Utility Committee held a hearing on Thursday March 10 on **SB 478** which would require wind turbines to have light mitigation on existing and future turbines to reduce the annoyance to residents. Currently the turbines have blinking red lights atop the turbines for aviation safety purposes. Opponents to the bill expressed empathy to the concerns, but state that the bill is unworkable because the Federal Aviation Administration selects the lighting systems.

Read more at: [https://kansasreflector.com/2022/03/09/kansas-bill-would-require-wind-farms-to-minimize-blinking-lights/?eType=EmailBlastContent&eId=4e33d2d7-b605-471b-aff7-0f0130e26fd9](https://kansasreflector.com/2022/03/09/kansas-bill-would-require-wind-farms-to-minimize-blinking-lights/?eType=EmailBlastContent&eId=4e33d2d7-b605-471b-aff7-0f0130e26fd9)

**SB 374** removing the ten-year tax property tax exemption for clean energy will be heard in Senate Assessment and Taxation Committee on Tuesday, March 15. This is one of the two anti-clean energy bills still active among the many introduced in the Senate Utilities Committee.

*by M. Fund*

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**CALENDAR Highlights Week of March 14**

*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/](http://www.kslegislature.org/li/) Go to Audio/Video broadcast box on right side of page.*

**HOUSE**

**House Agriculture Committee 3:30 p.m. Room 112-N**

*Tuesday March 15  **SB 346** (Raw Milk sales on farm bill) Final Action*  
*And  **HB 2530**  Meat Labeling and meat analogs definition and labeling. Final Action*

*Wednesday March 16 Informational Hearing: Ks. Food & Farm Coalition Continued Discussion of local foods, food security, and SPARK funds with Ks. Department of Agriculture*

**House Taxation Committee 3:30 p.m. Room 346-S**

*Tuesday March 15  **HB 2711** Food sales tax. Final Action.*

**SENATE**

**Senate Agriculture & Natural Resources Committee 8:30 a.m. Room 144-S**

*Monday March 14  **SB 548** — Excepting matters relating to the administration or processing of individual water rights and applications from the advice and assistance that groundwater management districts may provide.*

*And  **SB 549** — Allowing certain water right holders to withdraw from a groundwater management district under certain circumstances.*

*(Both of these bills were introduced following the House Water Committee’s hearings on HB 2686, which included several changes to groundwater management districts. HB 2686 was gutted of the opposed GMD changes plus much more, and a Substitute for HB 2686 was passed. Its fate in the Legislature is uncertain. See PW #9 March issue.)*

**Senate Assessment & Taxation 9:30 a.m. 548-S**

*Tuesday, March 15  **SB 374** hearing: Discontinuing the property tax exemption for new developments of renewable energy resources.*

*Possible action on bills previously heard.*

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**LEGISLATIVE DEADLINES**

*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.

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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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