Here is second mailing of today’s Policy Watch-- this time with the correct date! Sorry for any confusion. We will publish at least four more issues this session.

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VETO SESSION UNCERTAINTIES

By Paul Johnson

The Kansas Legislature faces a number of policy and budget uncertainties as it reconvenes on April 25 for the veto session. How long will this veto session last? How many of the Governor’s vetoes will the legislature attempt to override? Will the new April 20 State revenue estimates - for the next 18 months - change the dynamics on further tax cuts or additional spending? How many of the existing conference committees will finalize their reports and be voted on by both the House and Senate?

Now that public school finance has been isolated in a separate bill, what policy riders will be added to the required funding of public education? If the Kansas Supreme Court declares ‘invalid’ the Congressional redistricting map, will the Court settle on its own map or send the task back to the Kansas Legislature? Will the U.S. Supreme Court play any role in the Kansas Congressional map? How will the Governor-signed legislative district maps be judged by the Court in light of the adopted legislative redistricting guidelines?

Will there be a partial reduction to the grocery sales tax bill that would completely eliminate the tax in three years? Or will the latest revenue reports convince legislators to adopt the full reduction on July 1? Or will the Legislative leadership continue to play politics with Kansas citizens checkbooks?

Normally in election years, veto sessions are shorter for lawmakers so they can return home for the campaign. Is this a normal election year in Kansas?

Read more on veto session here:

Or listen to these podcasts:
https://kansasreflector.com/podcasts/kansas-reflector-staff-delivers-legislative-roundup/

https://kansasreflector.com/podcasts/looking-ahead-to-veto-override-attempts/
ITEMS FOR OMNIBUS CONSIDERATION

The omnibus bill is the final budget bill dealing with items and decisions that were delayed until the veto session. With the new state revenue projection from April 20, lawmakers and the Governor have a clearer picture of revenues for the next 18 months.

The Kansas Legislative Research Department (KLRD) compiled a 33-page memo listing items for 2022 and 2023 that need attention. The fact that school finance is in a separate bill complicates the process somewhat. There are assumptions that federal pandemic funds (ARPA) will cover several items or at least a portion of several items. The House and Senate will each pass their version of the Omnibus bill and differences will have to be settled in a conference committee during the veto session. The Senate’s timeline for conclusion is April 29.


CONSENSUS REVENUE ESTIMATES

The Consensus Estimating Group (CEG) met on April 20 to establish State General Fund (SGF) revenue estimates for 2022 and 2023. CEG meets twice a year in April and November to establish revenue estimates that both the Governor and Legislature must use for the State Budget. CEG consists of representatives from the Governor’s Budget Division, KLRD and three university economists (from KU, KSU, & WSU).

This first memo is the short form listing the revenue projections. A longer memo will be out in the next few weeks explaining the economic assumptions of inflation, CPI, interest rates, unemployment, farm income and fuel prices that were used. This memo incorporates any revenue and budget changes made by the 2022 Legislature and signed by the Governor. The overall increase for 2022 and 2023 was $340.7 million.


CONFERENCE COMMITTEES REMAINING ISSUES

Listed on the Kansas Legislature’s homepage (under the Committees heading) is a compilation of the 27 established conference committees heading into the veto session. Each listing has the legislation (or resolution) under consideration and the assigned six legislators (3 House/ 3 Senate). It is still possible to establish new conference committees during the veto session. It will be up to legislative leadership to decide how many of these conference committee reports will be acted upon.

One key issue is sports wagering – House Sub for SB 84 – that came close to final passage before first adjournment. The meat labeling bill – Sub for SB 261 – seems destined for passage. SB 421 has a billion-dollar payment going to KPERS.

Election law restrictions related to advance ballots, remote ballot boxes, and timeline for ballot return) are seriously being considered in the HB 2056 conference committee.
The conference committee on **HB 2280** allows prescribing off-label medications for Covid-19 and allowing religious exemptions for vaccinations in child care facilities and schools.

The **HB 2416** conference committee is discussing requiring governmental compensation for pandemic shutdowns along with property tax relief and partial covering of lost business income. The conference committee on **HB 2597** may produce a second tax reduction bill in the veto session.

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**NEW KANSAS LAWS Part 1**

The Kansas Legislative Research Department (KLRD) publishes summaries of passed legislation as the session winds down. The first **Preliminary Summary of Kansas Legislation for 2022 Legislature** came out on March 28 and covered the legislation passed by March 23. (Legislation that may be signed by the Governor or vetoed.)

The second summary came out April 8 and covered legislation passed between March 24 and the close of the regular session on April 2. There will be a final summary that will come out after the veto session concludes in May. These publications contain summaries of selected, major bills passed by the Legislature.

In the first summary, the table of contents lists the legislation in alphabetical order by topic. Here are a few highlights:

- **Under agriculture**, **HB 2560** extends existing fees for the Water Right Transition Assistance Program (WTAP) as well as the various fees for the pesticide and fertilizer program. There is a list of the fees.

- **Under constitutional amendments**, **HCR 5014** establishes legislative oversight regarding executive branch administrative rules and regulations. This will be on the November general election ballot.

- The key economic development act - **SB 347** - passed for the mystery four billion company – is called the ‘Attracting Powerful Economic Expansion Act (APEX program)’. There are **14 pages** to explain the details. To this point no announcement on who is the mystery company or whether this particular economic expansion will happen or not.

- **Under judiciary**, the Judicial Branch will be more integrated into the State General Fund (SGF) by moving certain court fees to the SGF with a promise that sufficient funding will annually come from the SGF.

- **Under legislature**, the Congressional Redistricting Map – Ad Astra 2 – survived the Governor’s veto and is now being challenged in both state and federal court.

- In regards to water, **SB 358** passed allowing financing from the Public Water Supply Loan Fund for public water supply projects that acquire water through a water transfer. This bill is targeted for Hays and Russell to help fund their 59-mile water transfer pipeline.


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**NEW KANSAS LAWS- Part 2. Supplement to Summary of Legislation**

The **supplement to the preliminary summary** of legislation was published by KLRD on April 8 and contains key issues such as the basic State budget (not including public education). Certain legislation on education, health, public welfare and local government has
been vetoed by the Governor and are now subject to being overridden by the Legislature when they reconvene on April 25.

In agriculture, the advertising and on-farm sales of milk and milk products did pass (\textit{SB 346}).

In education, a parent’s bill of rights (\textit{SB 58}) did pass as well as the fairness in women’s sports act (\textit{SB 160}) – involving transgender men participating in female sports in public schools. These two education bills have been vetoed by the Governor. Read the one page parents bill of rights bill summary \textcolor{blue}{here}, and the transgender sports bill summary \textcolor{blue}{here}.

In health, legislation passed allowing greater authority to Advanced Practice Registered Nurses (APRNs) – \textit{Senate Sub. for HB 2279}. Redistricting for State Senate, House of Representatives, and Board of Education Districts (\textit{Sub. for SB 563}) passed, and the Governor signed this bill – now subject to review by the Kansas Supreme Court. For local governments, legislation prohibiting municipal restrictions on plastic containers and straws (\textit{SB 493}) passed and the Governor vetoed this bill.

Legislation prohibiting municipal restrictions on law enforcement cooperation and limiting municipal ID cards (\textit{HB 2717}) passed through last minute, late session procedural maneuvering with little public notice of hearings and overwhelming opponent testimony disregarded. The Governor did sign this legislation, also playing election year politics.

A State budget (\textit{House Sub. for Sub. SB 267}) for most state agencies plus capital improvements for 2022 & 2023 did pass, but does not contain public education funding that is found in a separate bill for the veto session. This budget for 2023 totals $16 billion, of which $4.6 billion comes from the State General Fund (SGF). (State Department of Education’s budget is $6.4 billion, including $4.2 billion SGF).

For 2022, $80 million of the SGF was added to pay off water supply storage debt for Big Hill, Clinton and Hillsdale reservoirs. In 2023, $20 million from SGF is dedicated to the Rural Housing Revolving Loan Fund. A mega-taxation bill – involving parts of 29 bills – amends law related to property tax, income tax and sales tax – \textit{Senate Sub. for HB 2239}. Two of the largest tax cuts involved the homestead property tax refund option and increasing the residential property tax levy exemption from $20,000 to $40,000. Disaster-destroyed agriculture property tax abatements for buildings and agricultural improvements were included in this bill. The fiscal cost to the State by 2025 will be $119.6 million.

\textbf{KANSAS LEGISlator BRIEFING BOOK – 2022}

If you are wanting more background information on a particular bill or topic, the Kansas Legislative Research Department (KLRD) has published a Briefing Book containing briefs on timely topics that could be relevant during the legislative session. This Briefing Book has been redesigned to be a more concise and useful resource for legislators. Articles now have a standard length of two pages to convey the most important points about each topic. Previous Briefing Book articles that provided introductory overviews of broader government topics have been moved to the KLRD website.

In this 2022 version, there are three briefs on water from administration to Local Enhanced Management Areas (LEMAs) to western water issues. There is a housing brief explaining existing housing initiatives. There is an education brief on school choice and its use nationwide. Election briefs cover federal voter registration requirements and voter list maintenance. There is a brief on sports wagering laws passed or updated in 2021. Under health and social services there is a brief explaining budget neutrality in regards to the Medicaid program and the special 1115 waivers for Kansas’ adoption of private managed care contracts for all medical programs and services in 2013. There is a brief explaining redistricting and one explaining the ‘rainy day’ fund called the Budget Stabilization Fund (established in 2016) that had no balance in 2021 but is set to get $500 million by 2023. Taxation briefs cover income taxation of social security benefits as well as property tax circuit breakers and tax freezes. There is also a brief on the February 2021 Cold Weather Event.

\url{http://www.kslegresearch.org/KLRD-web/Publications/BriefingBook/2022-Briefing-Book.pdf}
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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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