



KANSAS RURAL CENTER
FOR THE HEALTH OF THE LAND AND ITS PEOPLE

**Kansas Rural Center
Legislative Policy Watch**
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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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TAX CUT SAGA

The Governor has now had two vetoes of tax cut bills (HB 2036, HB 2284) sustained by the Legislature. In the final hours of the session, a third version (House Sub for SB 37) was cobbled together with very few changes from the latest version. While there is agreement on most provisions (Social Security taxes, eliminating state grocery tax and lowering property taxes), the battle is over the three income tax brackets and the overall revenue lost (primarily over the income tax changes). The Governor has stated that she will veto this third version and will call a special session (likely in two weeks) to find that elusive compromise that Kansas can afford for the long run. If this special session does occur, the Governor will call it back over tax cuts. However, once back in session, the Legislature can address any topic or introduce new bills and possibly try to override certain of the Governor's vetoes of bills that passed at the end of the veto session.

SECOND CONFERENCE COMMITTEE REPORT BRIEF HOUSE SUBSTITUTE FOR SENATE BILL NO. 37

LEGISLATIVE POLITICS OR POLICIES?

The 2024 Kansas legislative session is now over, with the final day – Sine Die – on April 30. The political and culture war priorities took center stage while essential policy discussions were virtually ignored. Kansas does not have an affordable housing plan that would benefit rural county redevelopment and workforce challenges in key urban areas. Kansas lawmakers finally started the discussion on a State Energy plan and the role of a State Energy office, but no action was taken in this legislative session. Further water funding and policy changes are essential to extend the life of aquifers and improve water quality. There is no time allocated by legislative committees to discuss the future of the family farm in Kansas and the critical role federal Farm Bills play in cropping patterns and further consolidation of agriculture. Another legislative session has come and gone without legislative leadership willing to confront challenges and provide opportunities for future generations. Certain outside and special interests (along with their campaign contributions and endless free meals) seem to drive the political grandstanding, especially in an election year.

Over the last couple of sessions, there was at least the start of a housing discussion driven by a few legislators, available federal pandemic funding and rural housing developers. That discussion stalled in the 2024 session. While the Governor commissioned the first statewide housing needs assessment (in 25 years) that prompted some laws on tax credits and rural housing projects, the larger systemic challenges - such as no dedicated funding source for the State Housing Trust Fund and no issuance of First Time Homebuyer Loans in fifteen years - goes undiscussed. Housing is not seen as critical as high-profile economic development projects (like Panasonic), even though these development projects and the addition of new employment rest on housing availability and affordability. There are not legislative committees that specialize in housing analysis and housing options (as was created for water). There is not an annual Kansas Housing Plan (with policies and funding recommendations) brought to the Kansas Legislature (like the Kansas Water Authority brings on water policy and funding). The Kansas housing agency – Kansas Housing Resources Corporation (KHRC) – is a semi-private/public agency far removed from the Legislature with no mandate to present a vision for housing development.

After a few years of water discussions, legislation and increased funding for the State Water Plan Fund and infrastructure projects passed, but the water debate took a much less visible role in this session. The Governor mentioned the importance of water for the future of Kansas and continued the expanded funding, but the tougher decisions on curtailing over appropriated water rights (from the 1950's to the 1980's) have yet to be proposed. The hope and prayer is that local control and voluntary conservation practices will solve the mining of the High Plains aquifer. The reality is that federal farm policy - that heavily subsidizes certain grain crops - has to be changed to reward farmers for conservation practices that lessens overuse of water and improves soil health. Continually kicking the can down the road in denying the challenges of excessive crop irrigation - around national treasures such as the Quivira National Wildlife Refuge - must be challenged. Kansas now has a significant 'budget stabilization fund (rainy-day fund)' of \$1.7 billion that should be tapped to buy back certain water rights (with the professional assessment of the Kansas Geological Survey) and work with farmers on other cropping and grazing options to balance lost income.

Clear-eyed energy planning and assessment seems beyond the reach of the Kansas legislature today. Climate change is virtually barred from energy discussions. Reliving the fossil fuel heritage of Kansas is endless. Factoring in the future challenges of a changing climate and the risks involved is not permitted. As Kansas' natural gas reserves continue its steep decline along with oil production and Kansas now gets a majority of its electric production from renewables (primarily wind and some solar), the energy debate under the Dome continues to stagnate.

Kansas is one of a very few states with no State Energy Plan and any serious understanding of energy efficiency/conservation investments that would improve the affordability of the housing stock and pump millions of utility savings into local economies statewide. This Kansas Legislature would rather hold onto the older, least efficient coal plants (and subsequently send ratepayer dollars to Wyoming while wasting water resources).

Key decisions will come this summer before the Kansas Corporation Commission, which will review the latest EVERGY energy plan (called an Integrated Resource Plan – IRP) in regards to future investments in energy efficiency, renewables, and shifting electric load off of peak electric use in the summer. It is time for Kansas Gas Service to present their own IRP and offer energy efficiency programs to decrease continual utility shut-offs.

Come the fall elections, there will be 125 House and 40 Senate lawmakers elected for the 2025 legislative session that starts January 13, 2025. There have already been a number of retirements announced, with more coming before the June 3 filing deadline. As in the past, it seems likely that about one-third of the lawmakers in the 2025 session will be new. There will also be a significant number of lawmakers that will run unopposed and a few, with only token primary contests. The question is what priorities or issues will these lawmakers' campaign on? Will the unopposed have a dialogue with their district constituents over housing? As homelessness increases, will there be a discussion over the fact that 40+% of Kansas renters (400,000 units) are housing cost-burdened (with many at 50+% of income for housing/utilities)? Will rural lawmakers discuss the expected loss of population in their counties as agriculture continues further consolidation (as 5% of the 58,000 Kansas farms account for 75% of all farm sales, that 88% of Farm Bill farm payments of \$1+ billion yearly go to only 20% of Kansas farms and 10% of Kansas farmers are under the age of 35)? Hunger continues to increase in the heartland as Kansas ranks 49th of 50 states in eligible residents (especially children) actually getting food stamps (SNAP). Unfortunately, special interests - with their corporate campaign contributions along with the dark money of PAC's - will guide many of their recruited candidates on the issues to be discussed. The most important vote these elected lawmakers will take will be in the first week of December, when the Speaker of the Kansas House and President of the Kansas Senate will be selected. What will be the key legislative priorities and issues going into the new session in January?

KANSAS SCHOOL FINANCE COMPROMISE

Kansas lawmakers sent a bipartisan school finance bill – House Sub. for Senate Bill 387 – to the Governor that will shape state education funding for the next three years, along with a \$75 million increase annually in special education funding. The House passed the bill 115 to 2, while the Senate passed it 35 to 2. This bill establishes a task force to review the current school finance system, academic reporting and achievement goals. This task force would provide recommendations to the Governor and the Legislature by January 2027 to establish a new school finance formula after the current funding formula expires July 1, 2027.

THIRD CONFERENCE COMMITTEE REPORT BRIEF SENATE BILL NO. 387

KANSAS LAND AND MILITARY PROTECTION ACT

House Sub. for SB 172 passed the House 86 to 39 and the Senate 24 to 14. This bill now heads to the Governor's desk with questions whether it will be signed or vetoed. This bill targets 'countries of concern – foreign adversaries' listed by the federal government from owning land within a 100-miles of a military installation. Violators would enter into an agreement with the Attorney General (AG) to divest interest in real property no later than 360 days. This bill does permit any defendant ordered by the court to divest such interest in real property to file a claim against the state for any reduction in sales price caused by such court-ordered divestiture. The AG will file a report by February 1 to the House and Senate Federal and State Affairs committees detailing the implementation of this law. On or before March 1 of each year, Kansas State University will submit a report to the Legislature and the AG detailing the status and trends of all foreign land holdings of real property in Kansas. Senate Bill 271 prohibited government agencies from acquiring and operating drones produced by 'countries of concern'. The Governor's veto of this bill was not overridden so the same fate may happen to the 'Kansas Land and Military Protection Act' (given that only 24 Senators voted for this bill).

THIRD CONFERENCE COMMITTEE REPORT BRIEF HOUSE SUBSTITUTE FOR SENATE BILL NO. 172

OMNIBUS APPROPRIATIONS ACT

House Bill 2551 is the final piece of the Kansas budget. SB 28 was the mega-budget passed at the end of the regular session. Certain items vetoed by the Governor (such as the \$15.7 million to Texas for border security) were overridden by the Kansas Legislature (that can be seen on page 18). House Sub. for SB 387 was the funding for K-12 public education that passed during the veto session. HB 2551 also includes dealing with Governor's Budget Amendments (GBAs) while agreeing with some and disregarding others. This bill is a conference committee collaboration between the House Appropriations conferees and the Senate Ways and Means conferees. There are charts showing the differences between the chambers and a final resolution, along with some items that had not been considered by either chamber but included in this final appropriations bill. HB 2551 passed the House 71 to 49 and the Senate 22 to 12. Now that the Legislature has officially concluded the session on April 30 – Sine Die – the Governor has line-item veto authority (that possibly could be challenged in a special session).

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Upcoming Events



During the legislative session, the *League of Women Voters of Kansas (LWVK)* hold weekly Zoom calls at **4pm on Fridays** with their policy observers. The League has called for *open up* these calls for interested Policy Watch readers. Cille King is the policy coordinator for the League.

You will need to email Cille at advocacy@lwvk.org to be added to the notice list. Agendas come out a day or so before the call.

Follow us on social media to stay up-to-date Kansas Rural Center's news and reflections from the Capitol!



See Previous Editions of Policy Watch

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

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