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April 9, 2018

The final week of the 2018 Kansas Legislative Session saw both chambers work beyond the original deadline in order to pass legislation to address the K-12 Finance issue. It turned out to be a dramatic end to what had been a relatively uneventful session.

K-12 Finance

The 2018 Kansas Legislature finally addressed the K-12 School Finance question and passed an increase of more than \$525 million over five years. The path to its passage turned into one of the most interesting seen in recent decades with action in both the House and Senate.

On Saturday, the House began work on the Senate's \$275 million education bill, SB 423. While debating the bill on the floor, the House used a procedural measure called a "gut and go" to amend in their \$525 million plan and passed the bill on a vote of 63-56. The House believed that the Kansas Supreme Court would not accept the proposed Senate amount, but a higher dollar figure was needed to satisfy the court decision. The maneuver to put the House amount into a Senate bill prevented the Senate from making amendments, instead only allowing for an up or down vote.

Senate leadership did not endorse the House plan or the amendment on the House floor. Earlier in the week, Senate conservatives and leadership, halted all work on the finance question, demanding the House pass a constitutional amendment bill giving the Legislature exclusive control over adequacy of school finance. Ultimately, the Senate's work on their K12 finance plan moved forward, but it did delay action for almost two days. The House Committee did act on the constitutional amendment, but no further action was taken by the full House.

The Senate did not immediately act upon the House's amended education bill and instead debated an income tax bill for several hours. Legislative rules require that in even numbered years, the session must end at midnight on the 90th calendar day, unless a resolution is passed by 2/3rds of both the House and Senate. This year, the 90th calendar day was Saturday. If the resolution was not passed, all pending legislation died at midnight, including the education bill.

Before midnight, a procedural motion was made by Senate Vice-President Longbine to stop debate on the tax bill in order to read in the K-12 finance bill. After several hours of debate,

the bill was read in and an adjournment resolution was passed to extend debate on bills this session. The Senate, finally passed the House's version of the K-12 finance bill shortly after midnight and sent it on to the Governor for his approval bringing the 2018 Legislative Session to an end. The Senate bill passed with the minimum number of votes.

Income Tax Bill

The Senate debated and passed a \$494 million dollar income tax cut by a vote of 24-16. Senate Sub for HB 2228 addresses the Kansas treatment of several federal tax reform measures as well as some state tax priorities that allows taxpayers to decouple from federal tax policy and claim itemized deductions in Kansas even if they claim the standard federal deduction. The bill also addresses the repatriation of income, restores to 100% the mortgage interest, property tax, charitable contribution and medical expense deduction and voted to increase in the standard deduction by 25%. The bill included expensing provisions that allows small businesses to claim the expensing deduction and put them on even playing field with corporations who are allowed the deduction.

During floor debate, three amendments were added to the bill. Senator Hardy amended in a provision authorizing nonrefundable income tax credits beginning in tax year 2018 equivalent to 50% of certain amounts contributed to the Eisenhower Foundation. Senator Peterson amended in HB 2416, which is a jobs creation bill for Kansans with disabilities and authorizes for Kansas businesses a 15-cent incentive of each dollar spent on goods and services expended with nonprofit organizations focused on employing Kansans with disabilities. Senator Alley amended a provision for an income tax exemption available for tax years 2012-2020 under certain circumstances for taxpayers who have established residence in Crawford or Cowley counties if the taxpayers were domiciled outside the state for at least five previous years and had Kansas income of less than \$10,000 per year.

The measure will now go to the House for discussion during the Veto Session.

Insurance & Health Care

Electronic health insurance documents and the Amino-acid formula test tracking bill have passed the House and awaiting on Senate action. The conference committee report on telemedicine and dental therapists has been controversial because of an anti-abortion provision. The House voted down the conference committee report and sent the bill back to conference committee. The Kansas Insurance Departments bill on Captive Insurance Companies has passed and is awaiting the Governor's signature. Finally, HB 2516, which limits civil liability for individuals that do damage to a car when trying to rescue an animal or a person from a locked car has been signed into law by Governor Colyer.

Judiciary Issues

Several judiciary issues remain in the House and Senate Judiciary Conference Committee. Appeal bond caps, evidence of seat belt use and body camera legislation will all be addressed during Veto Session.

County Elections

On Friday the legislature approved HB 2597, which contained provisions to take the budget power away from the secretary of state's office and gives it to the county commissions in Shawnee, Johnson, Wyandotte and Sedgwick counties. The legislation is in response to a 2017 AG's opinion that stated county commissioners are required to cover expenses

needed to run voting offices as determined by the election commissioner. Proponents of the bill argued it gives control back to the counties that fund the election commissioner's budget who without have no fiscal check on the election commissioner. Opponents of the bill argued elections may be vulnerable to local budget decisions which may influence number of poll workers, voting locations for running an election and potentially discourage voter turnout. The measure is now on its way to the Governor for his signature.

Veto Session

The Legislature will return on April 26th for its Veto Session with Sine Die scheduled for May 4th, which is the official last day of the 2018 Legislative Session. Budget, taxes and other issues will be addressed during Veto Session. Consensus revenue estimates for FY 2019 will be released on April 20th which will take until account the newly passed school funding bill as well as federal tax reform. Until then we stand adjourned.