



Legislative Affairs News

LEGISLATIVE AFFAIRS NEWS

Week ending February 26, 2010 | Week #7 |

As reported by Robert J. Vancrum, Kansas Government Affairs Specialist for the Shawnee Chamber of Commerce

The Legislature took Monday off as they traditionally do at the midpoint of the session. The House also treated Tuesday as a proforma day, so members (at least on the House side) were only in the building on Wednesday, Thursday and Friday. Not surprisingly, formal action was limited. There were some significant developments however.

TAX POLICY

HB2538, which expands the PEAK income tax credit program to include jobs retained when a business is sold to an out of state buyer, as well as those attracted to Kansas or expanding in Kansas, cleared the House Taxation Committee on Thursday. It was then debated and passed by the full House on Friday by an 84-27 vote. HB2549, which would repeal a variety of sales tax exemptions, is scheduled for amendment and debate on Monday in House Taxation Committee.

HEALTHCARE

In a somewhat surprising development, the House concurred in Sen. Sub. for HB2221, the statewide ban on smoking in public places passed the Senate last year. A motion to concur passed the House (over the opposition of House leadership) by a 68/54 margin. It now goes to the Governor directly for his signature and becomes law on July 1, 2010.

BUDGET

The toughest issue for the 2010 Legislature is how to close the budget gap the state is experiencing. On Monday, Rep. Yoder of Johnson County hosted a meeting of a number of local government and school officials to discuss the budget. Many of those present strongly supported putting no more funding into the present school finance formula, but expanding local budget authority to allow school districts to raise money locally through the property tax for both the amounts cut and amounts to be cut from K-12 education.

Obviously this is better for Johnson County taxpayers than raising sales or income taxes and sending it through a school finance formula that returns less than 25c of each dollar to our county. The problem is most legislators are from districts that (a) would not be able to raise that much in property tax and (b) are winners under the formula. It will be difficult to find 63 House members to support such an approach.

At the same time, the Governor's call for a one cent sales tax increase has for the most part fallen on deaf ears. The House Taxation Committee actually killed the proposal. The sales tax was to be combined with an increase in the tobacco tax to increase it to the average of the 50 states, but at this point in the session, such a tobacco increase has yet to be considered by either chamber.

K-12 AND HIGHER EDUCATION

Both the House and the Senate subcommittees have completed their review of education budgets at this point. The Senate has made no significant cuts in either higher education or the education budgets. Although the House Appropriations Committee has yet to act on these budgets, their leadership believes both need to be cut to balance the 2011 budget. The Governor has clearly stated that he will veto any such cuts. Thus it appears the Senate, the House and the Governor are on a perfect collision course.

TRANSPORTATION

The Senate leadership intends to schedule hearings on a new transportation plan sometime the week of March 8th. Since the new highway plan is also dependent upon a significant increase in fuel taxes and registration fees, the debate over a general tax increase will probably make a new transportation plan harder to pass.

As always, if you have any questions about the report or other issues to come before the legislature, please send me an email, rvancrum@vancrumlaw.com.

Shawnee Chamber of Commerce