



Legislative Affairs News

LEGISLATIVE AFFAIRS NEWS

For Week Ending May 12, 2010

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

The Legislative veto session spilled over into the third week. The following are the developments on our key issues:

ECONOMIC DEVELOPMENT

The Promoting Employment Across Kansas (PEAK) program amendments which were vetoed by the Governor were once again placed into HB 2554. This bill passed the Senate 40-0 and the House by 109-12. The funding given to Kansas Inc. to audit all economic development programs was removed, meeting the Governor's stated objection, so it will become law and apply to many businesses adding jobs by expansion as well as new businesses relocating to Kansas.

BUDGET AND TAXES

The House voted down House Appropriations' 2011 budget that cut education and higher education (H. Sub. for SB572) by a vote of 75-45 in the early hours of Saturday. The Moderate Republican/Democratic coalition then passed a 2011 budget in place of the leadership budget (by amending it into H.Sub. for SB572). This bill is very similar to the Senate's 2011 budget in that it does not cut K-12 education or higher education. The Senate passed the Moderate Republican/Democratic budget measure which now becomes the final budget.

The Senate also passed a \$340 million tax measure to fund this House Moderate Republican/Democrat budget (Sen. Sub. for HB 2360). It is solely a sales tax increase of 1% from 5.3% to 6.3% for three years. The House passed the Senate revenue measure by a vote of 64-61, in the early hours of Tuesday morning, setting the stage for adjournment yesterday afternoon.

EDUCATION

Education funding is protected by the final 2011 budget bill. There was, however, no movement towards granting USDs more local budget authority, a major goal of Johnson County schools, which are struggling to avoid major teacher layoffs caused by last year's cuts. In fact, House Sub. for SB74, which would have given Johnson County schools a \$12 million boost in their local option budgets, failed by a 41-76 vote Monday afternoon, with Johnson County House members split. A ¼ cent sale tax for local schools also failed a second time by a wide margin.

TRANSPORTATION

The Transportation Works for Kansas program, HB 2650, has passed the Senate and the House in one of the final actions of the year. The transportation bill would generate \$8.2 billion over 10 years. All registration fees on light trucks and autos have been removed but the plan still raises fees on over the road trucks and semis. Otherwise the plan is bonding only for 3 years followed by a 0.4% sales tax increase.

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