



State Prayer Breakfast On Wednesday, March 15, 56th Annual Kansas Prayer Breakfast, where government, education, business, and industry leaders in Kansas came together for a united morning of prayer and fellowship. The Kansas Prayer Breakfast continues to serve as a time for leaders to come together and pray. This year, Major General Julie A. Bentz was the guest speaker, who has served in the Bush and Obama Administrations, and currently works for the Trump Administration. She particularly stressed the need for spiritual support groups, especially for elected officials and those in government. Later that day, the House adopted HR 6022 and the Senate adopted SR 1725, in honor of ministers, pastors, priests, and rabbis in Kansas.

Kansas House Commemorates the Life of Srinivas Kuchibhotla On Thursday, both Ian Grillot and Alok Madasani, survivors of the Olathe shooting in February, were recognized by in the House chamber during the adoption of HR 6023. Family members and friends accompanied them as we commemorated the life of Srinivas Kuchibhotla, who immigrated to Kansas and exemplified the American Dream. Governor Brownback later signed a proclamation recognizing March 16 as Indian-American Appreciation Day.

#### COMMITTEE ACTION Efficiency Study Update

The House Appropriations Committee heard from all the Budget Committees this week on the Alvarez and Marsal Efficiency Study. The Budget Committees heard the recommendations and provided feedback to Appropriations on: whether the recommendation has been implemented; if the estimated savings have been achieved; and any further comments the Budget Committee has to offer on the recommendations. Legislative Research has compiled documents with these recommendations along with the Budget Committees' input.

Taxation The Committee heard and took action on HB 2387 on Monday. This bill provides sales tax exemptions for fence replacement in the area of the state affected by the wildfire destruction. The Committee also heard a number of other bills this week: HB 2380, regarding sales tax authority for Marion County for property tax relief; HB 2261, providing a sales tax exemption for certain veterans service organizations; HB 2381, providing a sales tax exemption for the land institute; HB 2368, allowing a deduction for business entities that create new jobs, and HB 2376, regarding the property tax lid; requiring cities and counties to publish notice of budget increase; election requirements. On Thursday, the Committee heard from approximately 40 conferees on HB 2376. The bill is a collaborative effort between the Kansas Association of Counties and the League of Kansas Municipalities.

Federal and State Affairs Action Last week, the Federal and State Affairs Committee heard testimony regarding HB 2313, which would legalize the use of lottery ticket vending machines in the State of Kansas. These vending machines would allow an individual to manually purchase a

lottery ticket, check the status of a lottery ticket, and would also be used to promote information regarding the Kansas Lottery. On Friday, the Committee amended the bill to include provisions that would nullify any ticket purchased by a minor, with the intent of discouraging the youth from purchasing tickets via their parents/guardians. Under current law, minors may purchase lottery tickets, but are unable to redeem prizes from such tickets. The bill passed favorably for passage with a slight majority of votes. The Committee also passed HB 2081, whereby public employers would not be liable for any wrongful or negligent act of an employee carrying a concealed handgun. Testimony for HR 6016, which recognizes that pornography is a public health hazard was heard and passed unanimously. Lastly, the committee passed HB 2042, which would require the State to recognize all valid concealed carry licenses and permits issued by other states to non-Kansans.

**Budget Update** The Appropriations Committee will begin putting together the “Mega” appropriations bill (HB 2364) on Monday March 20. The Mega bill contains all appropriations for FY '18 and '19, with the exception of the Judicial Branch appropriations (HB 2365) and school finance (will be addressed in the K-12 Education Budget Committee). The Mega bill will reflect the recommendations from the Budget Committees that were adopted by the Appropriations Committee and any amendments made during Appropriations Committee discussion. The current year (FY '17) rescission budget passed out of the Senate Ways and Means Committee and was approved by the entire Senate on Thursday March 16. The Senate placed its budget recommendations into HB 2052, the House’s rescission bill. Documents, also known as explainers, on both versions of the bill are available on the KLRD website: <http://www.kslegresearch.org/KLRDweb/Appropriations&Revenue.html>

#### **K-12 Education Budget Committee Update**

The K-12 Education Budget Committee met for three days this week. The agenda was open discussion on a Committee produced school finance formula. The Committee members addressed various components that they believe should be part of a final formula. The Committee discussion also involved consulting with the Department of Education, Legislative Post Audit, and education lobbying organizations. The Committee is crafting a bill with components of other bills, and will hold hearings when the bill is compiled.

#### **FLOOR ACTION**

Rural Jobs Act HB 2168, also known as the Ad Astra Rural Jobs Act, would authorize \$166 million of private sector investments in rural Kansas. The Act would incentivize experienced and federally licensed small business investment companies to raise these funds to invest in small businesses, new or existing, having at least 60% of its principal business operation located in rural Kansas.

The Secretary of Commerce would have the authority to grant individual companies approval for this tax credit. Companies wishing to qualify for this tax credit program must submit a ten-year business plan, which must include a revenue impact assessment prepared by a third party, as well as a projection of state and local revenue generated by the funding. Additionally, qualifying companies must have fewer than 500 employees or have a federal adjusted gross income of less than \$15 million. These businesses must be related to the manufacturing, plant sciences, technology, or agriculture technology industries.

Investors into the funds would earn future tax credits starting in the fiscal year 2020 of not more

than 15% of the private capital raised and entirely invested in rural Kansas. Job creation targets will be set to offset all tax credits and must be met before funds can pay profits to their investors. A non-controversial amendment was adopted to encourage out-of-state businesses to settle in Kansas rural areas. The bill ultimately passed with a vote count of 97-22.

This bill presents an opportunity for access to much-needed capital desired in rural communities, in effort to gain additional jobs, promote commerce, and improve the quality of life for all Kansans. HB 2168 was heard in the House Committee on Commerce, Labor and Economic Development last month.

#### FLOOR ACTION VOTES TUESDAY, MARCH 14

HB 2162–Sales taxation; time for payment by retailers. This bill would increase the threshold filing amounts for retailers to submit sales taxes from \$80 to \$400 for annual filings, from \$3,200 to \$4,000 for quarterly filings, and \$32,000 to \$40,000 for monthly filings. Final Action, Wednesday, Mar 15; ---Yes: 119, No: 0 Bill carried by: Representative Kristey Williams

HB 2168– Enacting the Ad Astra Rural Jobs Act. This bill would incentivize businesses to invest in rural Kansas communities. Final Action, Wednesday, Mar 15; ---Yes: 97, No: 22 Bill carried by: Representative Erin Davis

HB 2228– Allowing property tax exemption on certain property without order of the Board of Tax Appeals. This bill would add properties acquired by a land bank, recreational vehicles owned by full-time members of the military, and most properties belonging to the federal government to the list of types of tax-exempt properties whereby approval from the State Board of Tax Appeals is not required. Final Action, Wednesday, Mar 15; ---Yes: 119, No: 0 Bill carried by: Representative Shannon Francis

HB 2387 – Sales tax exemption for certain property destroyed by wildfires in 2017. This bill would provide a sales tax exemption for all property and services purchased in 2017 and 2018, for the purpose of construction, reconstruction, repair, or replacement of fences on land that was destroyed or damaged by the wildfires during the years 2016 and 2017. Emergency Final Action, Tuesday, Mar 14; ---Yes: 122, No: 0 Bill carried by: Representative Ken Rahjes

#### WEDNESDAY, MARCH 15

SB 32– Medical student loan agreements for psychiatry. This bill would amend the Student Loan Act to include those studying psychiatry. Final Action, Thursday, Mar 16; ---Yes: 120, No: 5 Bill carried by: Representative Susan Concannon

H Sub SB 42– Making updates to the Revised Juvenile Justice Code. This bill would implement most of the provisions enacted by SB 367 (2016). Final Action, Thursday, Mar 16; ---Yes: 125, No: 0 Bill carried by: Representative Russ Jennings

#### THURSDAY, MARCH 16

SB 17– Enacting the Fair Access to Insurance Requirements Plan Act. This bill would update the Fair Access to Insurance Requirements (FAIR) Plan Act with current standard insurance operating procedures. Final Action, Friday, Mar 17; ---Yes: 119, No: 0 Bill carried by: Representative Dan Hawkins

SB 19– Enacting the Credit for Reinsurance Model Law. This bill would replace current language in statute with model language from the National Association of Insurance Commissioners (NAIC). Final Action, Friday, Mar 17; ---Yes: 119, No: 0 Bill carried by: Representative John Eplee

Sub HB 2223– Electronic filing of reports for a candidate for the State Legislature and reports for lobbyists; increased penalties for late filing of reports. This bill would penalize candidates for public office who do not file campaign finance reports by the specified due date would be fined \$100, followed by subsequent \$50 fines for every day thereafter, given that the report submission is late. Political Action Committees would too be subject to the same penalties. Lobbyists would be fined \$50 should their finance reports be submitted later than 48 hours, and \$50 subsequent fines thereafter. Final Action, Friday, Mar 17; ---Yes: 116, No: 3 Bill carried by: Representative Blake Carpenter

HB 2343– Ensuring nondiscrimination of organ transplants on the basis of disability. This bill would prohibit individuals from being denied lifesaving organ transplants on the basis of a disability. Final Action, Friday, Mar 17; ---Yes: 119, No: 0 Bill carried by: Representative Erin Davis

#### FRIDAY, MARCH 17

H Sub SB 60– Extending the sunset of certain agricultural fees and authorizing the Kansas secretary of agriculture to collect a fee for processing paper documents. Pending Final Action Bill carried by: Representative Don Schroeder

SB 65– Allowing creditor sale of repossessed alcoholic liquors pledged as collateral for satisfaction of debt. Pending Final Action Bill carried by: Representative Dan Hawkins

SB 66– Mid-term appointments of State Bank Board members. Pending Final Action Bill carried by: Representative Jim Kelly

Sub HB 2331– Enacting the representative Jim Morrison Cybersecurity Act and establishing the Kansas Information Technology Enterprise. Pending Final Action Bill carried by: Representative Pete DeGraaf

**BILLS INTRODUCED** The following bills were introduced during the week of March 13th-17th, 2017:

[HB 2387] – Sales tax exemption for certain property destroyed by wildfires in 2017.

[HB 2388] – Authorizing the sale of certain Kansas Lottery revenues.

[HB 2389] – Amendments to the Kansas Amusement Ride Act.

[HB 2390] –Taxing sales of certain gym memberships.

[HB 2391] – Concerning driving under the influence and other driving offenses; use of ignition interlock devices; expungement of convictions and diversions.

[HB 2392] – Repealing the Local Government Infrastructure Improvement Projects Loan Program; abolishing the Kansas Partnership Fund.

[HB 2393] –Hazardous materials endorsement for commercial driver's licenses; transportation security administration security screening process; abolishing the Hazmat Fee Fund.

[HB 2394] – Abolishing the Judiciary Technology Fund, Access to Justice Fund, KAN-ED Fund and ROTC Service Scholarship Program Fund; credits, transfers and liabilities.

[HB 2395]– Providing for a 5% rate on all income over \$10,000 for individuals and \$20,000 for persons married filing joint returns.

[HB 2396] – Allowing a tax credit for certain medical professionals who establish domicile in a Rural Opportunity Zone.

[HB 2397] – Creating an unconscionable act or practice under the Kansas Consumer Protection Act for people who engage in the unauthorized practice of law.

[HB 2398] – Roads and highways; traffic control devices maintained by counties and townships.

[HB 2399] – Providing a tax credit for certain child and dependent care expenses.

[HB 2400] – Requiring certain remote sellers to collect Kansas sales tax.

[HB 2401] – Prohibiting use of union dues for partisan or political purposes.

[HB 2402] – Debt set off; allowing the director of accounts and reports to enter into an agreement with third party vendors to assist in collecting debts against the state.

[HB 2403] – Reinstating the Enterprise Zone Program as an option in lieu of participation in the Rural Opportunity Zone Program for counties designated as Rural Opportunity Zones.

[HB 2404] – Rehabilitation of abandoned properties by cities. To view a complete list and status of all pending legislation for the 2017 session, visit this link:  
[http://kslegislature.org/li/b2017\\_18/measures/bills/house/](http://kslegislature.org/li/b2017_18/measures/bills/house/)

“THE OPPORTUNIST THINKS OF ME AND TODAY. THE STATESMAN THINKS OF US AND TOMORROW.” -DWIGHT D. EISENHOWER