



KDHA

Kansas Legislative Report

February 17, 2017

The wild ride of the 2017 Legislature continues. This is the last full week before the major Turnaround deadline, which serves as the date most bills must be passed by their original chamber of origin. House and Senate Committees spent the week holding hearings and working bills to forward to their full chamber for debate. Dozens of bills are now waiting for full consideration by the 40-member Senate and 125-member House of Representatives. So far, the House gets the award for the most action taken by a chamber.

Several floor debates also took place dealing with tax and budget policy. Last week a plan for the Senate to consider a major tax plan stalled, but action took place this week. The House considered a major tax bill that, to everyone's surprise, generated virtually no discussion and/or amendments. The bill is projected to raise nearly \$600M in Fiscal Year 2018 by adding income tax to small businesses and creating a third personal income tax bracket at 5.45% for individuals making over \$50,000 or \$100,000 for married couples. The bill is retroactive and starts January 1, 2017. The bill passed the House 76-48, which is an overwhelming majority for a tax bill.

The next day, the House debated a major budget bill (HB 2052) that aims to fill the shortfall for the current fiscal year (FY 2017) that ends June 30. The bill permanently delays a \$75 million payment to K-12 Education by one fiscal year and freezes various contributions for KPERS, among several other changes. The bill passed the House 87-36. This bill will now go to the Senate.

The Senate debated a tax bill crafted by Senate Democrats. After an hour-long debate, the bill died on the Senate floor with a 10-28 vote. During debate, a motion was made to replace the bill's plan with a tax plan designed by the Senate Republican leadership. The motion failed. The debate effectively killed two major tax plans crafted by the Senate.

In a bizarre twist, the House's Tax Plan was sent directly to the Senate floor for debate. This is unprecedented, as it skips the Senate Tax Committee in the legislative process. Members of the Senate engaged in a testy debate over the bill and the state's tax policy. In the end, the bill was narrowly approved 22-18. Since the bill was unaltered, it will be sent directly to the Governor's desk. At this time, it is unclear if the Governor will veto the bill or let it become law without his signature if he does not sign it after ten days.

Four school finance plans have been formally considered by the House K-12 Budget Committee. More are planned for Monday. The Senate has yet to form its school finance committee.

Next week's activity will intensify as Monday will be the final day for committees to meet. Both chambers will be on the floor debating bills all day Tuesday, Wednesday and Thursday.

Thank you and please let me know if you have any questions. Please see below for bill matrix.

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Bill Number and Sponsor	Bill Subject	Current Status	Last Action
HB 2023 House Taxation Committee	Determination of Kansas adjusted gross income; sunseting certain modifications	In House Taxation	01/20/2017 - House Scheduled Hearing (cont.) in Taxation: Monday, 1/23, 3:30 PM, Rm 346-S
HB 2064 House Health and Human Services Committee	Establishing the KanCare bridge to a healthy Kansas program	In House Health and Human Services	02/01/2017 - House Scheduled Hearings in Health and Human Services: Neut - Monday, 2/6; Pro - Wednesday, 2/8; Opp - Thursday, 2/9, 1:30 PM, Rm 112-N
HB 2119 House Health and Human Services Committee	Establishing non-covered services for dental benefits under health insurance	In House Health and Human Services	01/25/2017 - House Scheduled Hearing in Health and Human Services: Wednesday, 2/1, 1:30 PM, Rm 546-S
HB 2139 House Health and Human Services Committee	Licensure of dental therapists	In House Health and Human Services	02/08/2017 - House Scheduled Hearing in Health and Human Services: Tuesday, 2/14, 1:30 PM, Rm 546-S