



KDHA

Kansas Legislative Report

February 9, 2017

The first of week February offered a buffet of hot topic issues in the Kansas Statehouse. The first four weeks of session were already moving faster than usual but this week set a new pace. Dozens of committee meetings and multiple-hour floor debates produced numerous ideas including a budget rescission bill, multiple tax bills, Medicaid expansion, gaming and school finance proposals.

The Senate Taxation Committee held hearings on the Senate Leadership's tax plan (SB 147). As expected, the bill generated a robust discussion from both sides of the issue. The bill would repeal the exemption for non-wage business income for certain small businesses effective Tax Year 2017. This was part of the original 2012 tax plan. Individual income tax rates would be increased in Tax Year 2018 for both income tax brackets by 0.4% (2.7% to 3.0% and 4.6% to 4.9%). The bill is expected to increase state revenue by \$288M in Fiscal Year 2018 and more than \$300M in subsequent fiscal years. The committee forwarded the bill to the full Senate for greater consideration. On Thursday, the Senate was poised to debate SB 147 but it was postponed until next week.

The Senate is also planning to debate SB 27, known as the Rescission Bill. This bill would address the budget short fall of approximately \$325M for the current fiscal year (FY 2017) that ends on June 30, 2017. The bill includes several cuts, including K-12 funding by 5% (\$128M), higher education by 3% (\$23M), and delay repayment of KPERS for state money borrowed last year.

The House Tax Committee approved a tax plan that adds a third tax individual income bracket. The new bracket would be 5.45% for individuals with income of more than \$50,000 and \$100,000 for married couples. The lower two brackets would be 2.7% and 5.25%. The small business exemption would be repealed. This plan, poised to raise over \$500M, was narrowly approved 13-9. The plan could receive consideration in the House in the next two weeks.

Progress toward a new school finance formula moved forward as more proposals continue to be introduced. Several proposals have now been introduced with one having been formally considered in the House K-12 Budget Committee. Other plans will be considered next week.

Dental Therapist discussions picked up this week. A hearing on the Dental Therapist Bill (HB 2139) is scheduled for February 14 in the House Health Committee. The chairman designed a short hearing so it is unclear how much discussion will actually take place. Nonetheless, it is a positive step to formally discuss the issue. KDHA, among many others, will be there to testify in support of the bill.

The House Health Committee held three-days' worth of hearings on Medicaid Expansion (HB 2064). It has been two years since this topic was considered in a hearing. No action has been taken on the bill but this could come next week.

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

Travis Lowe
Gaches, Braden & Associates

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