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& ASSOCIATES

# LEGISLATIVE REPORT

***Economic Lifelines***

***Kansas Legislative Report***

***March 3, 2022***

Warmer weather in Topeka signals spring is on the horizon and the second half of the session is underway. After a short break for Turnaround, legislators returned to the capitol on Tuesday. The Turnaround deadline stopped hundreds of bills, exempting only legislation which has been passed by one chamber or resides in an exempt committee. The next two weeks will see committees work diligently to hold hearings and recommend bills. March 24 marks another deadline in which bills should be passed by the second chamber, reserving the last week of the month for conference committees to reconcile any differences between House and Senate versions.

The coming weeks expect to see both chambers develop and pass a budget while each also choose redistricting maps for their respective districts. Consideration of food sales tax reform continues with signs the recommended product will be more fiscally conservative than initial proposals.

This week Economic Lifelines members were able to receive a first-hand account of the session progress. Representative Troy Waymaster (R-Bunker Hill), who serves as chair of the House Appropriations Committee, provided an update during the Economic Lifelines membership meeting. The meeting, broadcast to members via Zoom, took place at the Economic Lifelines office with Executive Director Scott Heidner and Lead Lobbyist Travis Lowe. Representative Waymaster noted the budget process will be completed later this month with plans included to suspend the extraordinary transfers from the State Highway Fund. He went to say there is an appetite to put several hundred million in a rainy day fund, known as the Budget Stabilization Fund, and pay down other state debts. Discussion also noted the progress of the IKE Plan and benefits of the rolling local consult process.



*Rep. Waymaster speaking with EL members via Zoom*

### **Department of Transportation Funding**

As mentioned by Representative Waymaster, on Friday the House Committee of Appropriations placed the Department of Transportation budget in their budget bill, which includes no extraordinary transfers from the State Highway Fund. Meanwhile, the Senate Committee on Ways and Means is working on its version that includes the same recommendation.

### **Tax Policy Relevant to Transportation Funding**

The House Committee on Taxation held a hearing on HB 2711, which reduces the state food sales tax from 6.5% to 3.5% with a ratchet to continue to lower the rate if the rainy day fund has at least \$100M. Economic Lifelines presented testimony during the hearing to thank the committee for the support to reduce the impact to the State Highway Fund by including an adjustment to the designated percentage from 16.15% to 17.61%. This holds the State Highway Fund revenue neutral for the first 3% drop, but Economic Lifelines requested another adjustment if the ratchet system is activated. The Committee may take action on the bill in the coming weeks.

A new factor to enter discussion under the dome includes Senate Concurrent Resolution (SCR) 1620, scheduled for a hearing on Thursday in the Senate Committee on Assessment and Taxation. SCR 1620 is a proposed constitutional amendment that aims to stipulate new state taxes and increases to existing tax rates shall require a 2/3 majority of the House and Senate instead of a simple majority like regular legislation. This proposed constitutional amendment must be approved by the House and Senate with a 2/3 majority this session to have the amendment placed on the ballot during the November 2022 general election. To date, the House has not considered such a proposal this session.

## House and Senate Transportation Committees

Next week the Senate Committee on Transportation has a week of hearings dedicated to naming highways and a bill related to drivers licenses. On the House side, the House Committee on Transportation plans to hold a hearing on a bill related to personal package delivery devices and a bill aiming to name a bridge.

A new Autonomous Vehicle Bill is being introduced in the Senate that aims to resolve many of the issues raised by testimony in the hearing on SB 379. The new bill is not available yet but is expected to have a hearing to reassess the progress and discuss lingering concerns.

Thank you!

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