

KANSAS LEGISLATIVE INSIGHTS NEWSLETTER

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SELECTED KANSAS LEGISLATIVE ACTIVITY, MAY 22-26

The fourth week of the legislative “veto” session produced no final solutions on major issues. Unable to patch together a majority of House members willing to vote for a major tax bill the legislative leadership decided a week-end away from the capitol was the only logical way to proceed. Legislators will return Tuesday with the hope of completing the session in early June. The session has passed the 100-day mark and is getting dangerously close to the record of 113 days set by the legislature in 2015.

There are two rather significant factors that will motivate legislators to finally resolve their differences. One is the June 30th deadline for passing and funding a new school finance formula. The Kansas Supreme Court has ruled that failure to meet that deadline could result in closure of all school districts across the state. The second motivating factor is the diminishing amount of money available to keep the legislative session going. June 2nd might be the last day legislators could be paid without the passage of a special resolution to allow continuation of their pay.

The Kansas House actually did vote on a major tax bill ([SB 30](#)) on Monday, but it fell short (53-68) of the 63 votes necessary for passage and far short of the 84 votes needed to override a gubernatorial veto. Later in the week a second version of [SB 30](#) was pasted together by the six-person House/Senate conference committee and was scheduled for floor debate in the House on Wednesday, but at the last minute House leadership decided to pull the bill back as it became apparent there were insufficient votes to assure its passage. More adjustments in the bill will undoubtedly be made Tuesday when legislators return to the capitol. Passage of a major tax bill generating \$900 million or more over the next two years is absolutely essential in order to bring the session to a conclusion.

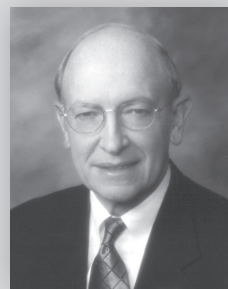
There was some significant movement on creation and funding of a new school finance formula as the House approved their version (*Sub for* [HB 2410](#)) of a new formula on Thursday by a vote of 84-39. House members spent most of Wednesday afternoon debating and attempting to amend the bill, but in the end the bill, with a few minor amendments, was approved basically as recommended by the House K-12 Education Budget Committee. An attempt by House Democrats to significantly increase the two-year amount of funding for the new formula was rejected on a vote of 47-75.

In the Senate their Select Committee on Education Finance has forwarded their version of a school finance formula ([SB 251](#)) to the full Senate where it will be debated Tuesday or Wednesday next week. If the Senate approves their bill a House/Senate conference committee will then negotiate the final compromise for the full House and Senate to consider.

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KANSAS LEGISLATIVE INSIGHTS is a publication developed by the Public Policy Law & Governmental Relations practice group of Foulston Siefkin. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas Legislative Session, it focuses on issues involving Health Care, Insurance, Public Finance, Taxation, Financial Institutions, Business & Economic Development, Energy, Real Estate & Construction, Environmental, Agribusiness, Employment, and Workers Compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Public Policy Law & Governmental Relations Practice Group Leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

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Jim Maag and **James P. (Jim) Rankin** are co-editors of Foulston Siefkin's Kansas Legislative Insights. Jim Maag, a non-lawyer Governmental Affairs Consultant to Foulston Siefkin's Governmental Relations & Public Policy Practice Group, provides legislative monitoring and lobbying services for our governmental relations clients. Mr. Maag has had a distinguished career in governmental matters and banking, most recently serving as President of the Kansas Bankers Association. He has been involved in the Kansas legislative process for more than four decades as a legislator, administrator or lobbyist. As a partner at Foulston Siefkin, Mr. Rankin's practice focuses on employee benefits law relating to public, private, governmental, and tax-exempt organizations. A large part of his work involves insurance regulatory and compliance issues in many industries, including health care. Mr. Rankin has been selected by peers for inclusion in The Best Lawyers in America® and the Missouri & Kansas Super Lawyers® list. He is the firm's representative with State Law Resources, Inc., a national network of independent law firms selected for their expertise in administrative, regulatory, and government relations at the state and federal level.

The state budget bills for FY 2018 and FY 2019 are still to be approved and there are legislators who would prefer to pass the budget bills first so legislators would have a better idea of how much new revenue is needed, but the legislative leadership will likely hold the budget bills back until a tax bill is approved.

Since this is the first year of a two-year legislative cycle all bills and concurrent resolutions not specifically passed or killed this session will be carried over to the 2018 legislative session.

Listed below are selected bills either signed by the governor, in the last stages of legislative consideration or just introduced. Additional information on any of these bills can be accessed by clicking on the bill number.

AGRIBUSINESS

[House Sub for SB 60](#) – Moves to 7/1/2023 the sunset date for applications and renewals for a pesticide business license or a government agency registration. Also moves to 7/1/2023 the sunset date for a commercial or private applicator certificate and fees on milk, cream and dairy products. Provides exemptions for smaller dairy manufacturing plants. Empowers the Secretary of Agriculture to reduce or increase certain inspection fees if necessary. Reinstates certain dam inspection fees *(Passed by the Senate on a vote of 32-7. Awaiting action by the governor)*

BUSINESS AND ECONOMIC DEVELOPMENT

[HB 2277](#) – Allows the establishment of “common consumption areas” by cities and counties. Such areas could be established by ordinance or resolution. Would authorize the consumption of alcoholic beverages for a specified time period. Would require a permit from the Director of Alcoholic Beverage Control (ABC). Also eliminates waiting period for Class B club membership. *(Passed by the House on a vote of 97-22. Awaiting action by the governor)*

[SB 201](#) – Includes the term “a member of the military” to the list of “Protected consumer” under the Kansas Consumer Protection Act. Also amends the Kansas No-Call Act to place additional restrictions on telephone solicitors using robo-calls. *(Awaiting further action by the Senate)*

HEALTH CARE

[SB 253](#) – The bill, introduced through an exempt committee, Senate Ways and Means, has been referred to the Senate Committee on Public Health and Welfare, Senator Vicky Schmidt Chair. Oddly, the bill while purporting to establish a “prompt payment act” for health plans does not appear to amend the Kansas Health Care Prompt Payment Act., KSA 40-2440, et seq. Conceivably, the bill is especially designed to focus on KanCare-Medicaid- providers. Since the bill has been introduced late in the session, it will not be heard until the 2018 session. Nevertheless, the bill may be the subject of an interim study.

TAXES

[HB 2428](#) – Would sunset almost all current state sales tax exemptions as of July 1, 2020, thus allowing the legislature to take an in-depth look over the next three legislative sessions at the merits of extending the exemptions or allowing them to sunset in 2020. (Referred to the House Committee on Taxation, Rep. Steve Johnson, chair)

Go to <http://www.foulston.com/kslegislativeinsights> to access the Foulston Siefkin Kansas Legislative Insights newsletter. For a copy of last session's bills, go to the Kansas Legislative website at: http://kslegislature.org/li/b2017_18/measure/bills/

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