



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | DECEMBER 6, 2023

2024 LEGISLATURE

The Kansas 2024 Legislature officially convenes Jan. 8. That date is rapidly approaching, and there will be a wide variety of issues facing the Kansas Legislature. In 2024, 165 seats are up for election and candidates will be running in newly apportioned districts. Several incumbent House members are running in newly reapportioned Senate districts. Challengers will be looking for opportunities to question their opponents' 2024 votes on controversial issues. The March 19 state-funded Presidential Preference Primary may spark interest in the Kansas Legislature. Further, the newly authorized legislative salary increases should make legislative service more attractive.

CREG ADJUSTS PROJECTIONS

On Nov. 9, the Consensus Revenue Estimating Group (CREG) met to review Kansas economic conditions and the group's revenue projections from April. CREG reduced revenue projections for the current fiscal year ending June 30, 2024, by \$67 million. This adjustment would mean a projected \$2.8 billion revenue surplus by the end of the current fiscal year. The new estimates predict a surplus of \$3.5 billion in state coffers by the end of FY 2025.

According to state officials and economists, the downward projections do not suggest Kansas is headed for economic troubles. One factor contributing to the downward estimate is the \$26 million 2025 reduction attributable to new incentives for Panasonic and the total elimination of the sales tax on food. Nevertheless, the continued wisdom of tax incentives, regardless of projected surplus, will again be among the dominant issues in the 2024 legislature. There is general support for tax cuts among legislators. The obvious challenge is the mix of tax cuts, tax cut implementation, and preservation of meaningful economic development incentives.

2024 SESSION

Beyond tax issues, there will be a re-emergence of perennial issues related to budget, education, elections, medical marijuana, and of course, Medicaid expansion. There will also be issues impacting the operation and power of state agencies. Among the less weighty matters will be consideration of the new design of the Kansas license plate.

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The work of the 2023 legislature interim committees provides insight to coming attractions for the upcoming 2024 legislative session. There were more than 15 special and joint committees approved, which met during the summer and fall in preparation for the upcoming session. Interim committees studied a wide range of issues including taxes, child welfare, civil forfeiture of assets, foreign land ownership, election integrity, and utilities. The highest-profile meetings involved a commission rather than an interim committee. The Legislative Compensation Commission met throughout the fall to examine legislative pay in Kansas (as reported in our last issue). Among the Commission's recommendations is a proposal to increase base legislative compensation to \$43,000 effective Jan. 1, 2025. Leadership positions for both parties would receive higher compensation, with the Senate President and Speaker of the House positions receiving \$70,520 in recognition for the additional time required for those responsibilities. The compensation increases might suggest more vigorous campaigns for leadership elections.

The following are summaries of selected interim hearings:

The Special Committee on Foreign Adversary Investments and Land Purchases met and discussed Attorney General Kris Kobach's proposal to ban sales of more than 10 acres to foreign individuals and corporations. The Attorney General also proposed a lease limit of two years where an adversarial nation was involved. The Committee did not act on these issues. Nevertheless, land security issues will likely be raised in the 2024 legislative session.

The Special Committee on Energy held two days of hearings. One day was focused on transmission siting and the cost allocation related to those transmission decisions. The second day was spent discussing the need for a state energy plan and issues related to reliability of the energy being provided to Kansans. A wide range of topics was discussed connected to both of these broad topics. While the upcoming session may see changes to the eminent domain legislation and the rights of landowners in transmission-siting cases, the committee did not make any specific legislative recommendations.

In 2024, we expect to see efforts to monitor and reduce perceived executive branch overreach through the administrative rules and regulation process. This was highlighted in the interim hearings of the Joint Committee on Rules and Regulations. An agency proposed a rule change perceived by committee members to require legislative (not just regulatory) action.

The Special Committee on Taxation met and discussed a number of issues that we expect will surface in 2024. One project will likely be review of existing tax credits and the number of those unclaimed each year. Some credits may wind up on the 2024 chopping block. Additionally, there will be proposals for tax modifications which were vetoed or bills involving new tax ideas discussed this summer by both Democratic and Republican legislative leaders.

IMPORTANT MISCELLANY

Congratulations to Governor Laura Kelly and Senate President Ty Masterson for being named to national posts. Gov. Kelly was re-elected Vice Chair of the Democratic Governors Association and Pres. Masterson is the incoming 2024 National Chair of the American Legislative Exchange Council (ALEC). ALEC is America's largest nonpartisan, voluntary membership organization of state legislators dedicated to the principles of limited government, free markets, and federalism.

At present, the three KCC Commissioners are subject to the Kansas Open Meetings Act, thus a majority (any two Commissioners) cannot confer on pending cases without notice and an open public meeting. 2024 may see legislation permitting the three KCC commissioners to confer regarding KCC matters, in the same manner as appellate judges.

Legislation authorizing each of the three KCC Commissioners to be assigned an "administrative advisor" to function much like a judge's law clerk is also proposed.

Kansas Legislative Insights is a publication developed by the Governmental Affairs & Public Policy Law practice group of Foulston Siefkin LLP. 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 healthcare, 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 Governmental Affairs & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com. Learn more about the authors below:

James (Jim) P. Rankin

Co-Editor and Governmental Affairs & Public Policy Law Team Leader
785.233.3600
jrankin@foulston.com | [View Bio](#)

As a partner at Foulston Siefkin, Jim'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 Healthcare. Jim has been selected by his 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 governmental relations at the state and federal level.

Gary L. Robbins

Co-Editor and Governmental Affairs Consultant
785.640.2651
garyrobbinsconsulting@gmail.com | [View bio](#)

Gary, a governmental affairs consultant to Foulston Siefkin's Governmental Affairs & Public Policy practice group, provides legislative monitoring and lobbying services for Foulston's governmental relations clients. He holds a bachelor of science degree in history and political science from Southwestern College and a master's degree in labor economics from Wichita State University. Throughout his extensive career, Gary has served as CLE Director to the Kansas Bar Association and as Executive Director of the Kansas Optometric Association.

Eric L. Sexton, PhD

Contributing Author and Governmental Affairs Consultant
316.371.7553
esexton@foulston.com | [View bio](#)

Eric, a governmental affairs consultant to Foulston Siefkin's Governmental Affairs & Public Policy practice group, has nearly 30 years' experience providing strategic direction and governmental relations services. As Wichita State University's governmental relations leader for 18 years, Eric developed lasting relationships at the local, state, and federal Government level around Kansas. Eric holds a doctorate in political science from the University of Kansas and a masters in public administration from Wichita State University, complementing his undergraduate business degree from Wichita State.

C. Edward Watson, II

FOULSTON

ATTORNEYS AT LAW

Contributing Author and Governmental Affairs & Public Policy Law Partner

316.291.9589

cewatson@foulston.com | [View Bio](#)

As a partner at Foulston Siefkin, Eddie represents clients in matters before state regulatory commissions, courts, and local governmental bodies. He has built and maintained relationships with key individuals – including lobbyists, elected and appointed officials, and staff members – that prove valuable in advancing clients' interests and issues. Drawing on his experience as a regional governmental affairs attorney for AT&T in Chicago, he helps clients navigate the maze of federal policies and agencies, advises on how processes work in Washington, and provides introductions to those who can help them accomplish their goals.

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