



KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JULY 11, 2019

INTERIM TIME

On July 1, 2019, the Legislative Coordinating Council (LCC) met to start the process of approving topics for interim studies and authorizing the number of days for those meetings. Legislators work hard annually on interim studies which allow a more in-depth look at various issues. Without the distractions of an election year, off-year interim studies often seem to yield more comprehensive legislative proposals. The June Kansas Supreme Court decisions on abortion, non-economic damages, and school finance have already started shaping the 2020 Kansas legislative agenda.

Interim committees are generally composed of both House and Senate members with each chamber alternating the chairperson every year. However, in an unusual move, Senate President Susan Wagle and Senate Majority Leader Jim Denning have requested several days for the newly announced Senate Select Committee on Healthcare Access to study solutions to improve access to healthcare in Kansas. The Senate has not developed a clear position on Medicaid expansion and healthcare access. The Senate Select Committee would be composed of Senators only and be in addition to the 11-member Special Committee on Medicaid Expansion composed of both House and Senate members.

Among the preliminary topics approved for interim study were cybersecurity for state agencies, review of the flood damage and the state response to flooding events, high cost of healthcare benefits, privilege tax deduction for interest from certain business loans, imposing the privilege tax on certain credit unions, study of licensure of anesthesiologist assistants, juvenile justice reform, and ongoing budget issues. This is only a sampling of the preliminary topics that will be studied, and more will be added.

ELECTRIC RATE STUDY AND OTHER MEETINGS

On July 9, 2019, the LCC met to review bids from firms interested in contracting with the State of Kansas to conduct the review of electric rates in Kansas, but failed to reach agreement on a firm. Kansas rates appear to be higher than those in neighboring states. Given the remaining 2019 calendar, there will not be a privately conducted study of rate differences before 2020. Among the other issues addressed was approval of a 2.5% pay increase for

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legislative employees effective July 1, 2019. The Special Federal and State Affairs Committee was authorized for two additional days of meetings to address medical marijuana and the response to the court case regarding the legality of abortion. The Broadband study committee was authorized for an additional meeting day.

FISCAL YEAR ENDS

The June 2019 receipts are in and the state collected \$32.7M, or 2.6%, more than estimated. Thus fiscal year 2019 (which ended June 30) was \$191M above the estimates. The Kansas Department of Revenue provides a detailed breakdown of taxes collected for each type of tax. The fiscal year 2019 state revenue collected was more than \$7.2 billion. Income and sales tax revenues received by the state of Kansas for 2019 were \$440 million more than fiscal year 2018. Sales tax was slightly less than the estimates and remains stagnant. The compensating-use tax from out-of-state purchases was \$432 million, which is about \$10 million, or 2.36%, above the estimate.

Kansas Legislative Insights is a publication developed by the Governmental Relations & 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 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 Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

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PRACTICE AREAS

• Government Affairs & Public Policy Law