

LEGISLATIVE NEWSLETTER

ACEC Kansas

No. 8 – March 9, 2012

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Activity is heating up at the Capitol, with several transformative tax policy proposals heard this week and/or scheduled for hearing next week. ACEC has fought and is fighting multiple troubling tax bills right now.

Wednesday of this week ACEC, along with KSPE and other stakeholder groups, submitted testimony in opposition to SB 376. This bill, introduced by Senator Dick Kelsey, would have imposed sales tax on professional services. The bill did not pass, and is dead for the session, but Senator Kelsey has vowed that he will attempt to bring it back as an amendment later in the session.

Wednesday and Thursday of next week, the House Tax Committee will hear HB 2763, the “Fair Tax Proposal”. This would eliminate sales tax in Kansas entirely and replace it with a “consumption” tax, which would *not* provide an exemption for professional services. ACEC will oppose this legislation as well.

Neither of the bills above has a good chance of moving forward. Of a much more pressing nature is the upcoming action on SB 177, which includes the raid on the T-Works program we have referenced repeatedly in prior bulletins and calls to action. As you will recall, this robs the T-Works program of over \$350 million dollars in the short term, which is to be “repaid” later with a contribution of an extra \$50 million per year for seven years. I put “repaid” in quotes because history has proven over and over this simply will not happen...the money will never be repaid. This bill will be debated on the House floor Monday, and ***we need your help!*** Please see the attached action alert from Economic Lifelines, and ***contact your State Representative this weekend!!!!*** This is the final and most critical opportunity to tell your elected officials how damaging this funding raid will be to your firm and the State of Kansas.

A couple of other non-controversial bills are moving forward. SB 301, changing the term durations for the Kansas Board of Technical Professions, will be heard by the House Commerce Committee Tuesday and seems likely to pass. HB 2429, a procurement bill impacting certain Board of Regents projects, was on the Senate consent calendar and passed earlier today.

HB 2455, which requires KDOT to study the long term feasibility of the gas tax, was heard Tuesday in the Senate Assessment & Taxation Committee Tuesday. It also looks likely to pass, and simply asks KDOT to report back on this subject by January 1, 2014.

HB 2776 was introduced this week, which would prohibit the use of certain fire codes. It is likely far too late in the session to pass, but we will keep our eye on it.

Stay tuned...

Bill Number and Sponsor	Bill Subject	Current Status	Last Action
SB 3 Legislative Post Audit Committee	Concerning water; establishing the Kansas natural resources subcabinet	In Senate Ways and Means	01/11/2011 - Senate Referred to Ways and Means
SB 70 Senate Ways and Means Committee	Limitation on entitlement to capital improvement state aid	In Senate Education	03/02/2011 - Senate Scheduled Hearing in Education: Monday, 3/7/2011, 1:30 PM, Rm 152-S; Possible Action: Tuesday, 3/8/2011, 1:30 PM, Rm 152-S
SB 86 Senate Assessment and Taxation Committee	5 year phase out of capital gains tax	In Senate Assessment and Taxation	03/02/2011 - Senate Withdrawn from Ways and Means; rereferred to Assessment and Taxation
Sub for SB 95 Senate Assessment and Taxation Committee	Five-year phase out of income tax on corporations	In Senate Assessment and Taxation	03/09/2011 - Senate Committee Report: Substitute bill reported without recommendation by Assessment and Taxation; Withdrawn from Calendar; referred to Assessment and Taxation; Scheduled Hearing in Assessment and Taxation: Tuesday, 3/15/2011, 10:30 AM, Rm 152-S
SB 98 Senate Assessment and Taxation Committee	Elimination of certain sales tax exemptions, imposition of sales tax on certain services, provision of sales tax exemption for certain purchases of food, and reduction of sales tax and certain income tax rates	In Senate Assessment and Taxation	03/04/2011 - Senate Scheduled Staff briefing in Assessment and Taxation: Tuesday, 3/8/2011, 10:30 AM, Rm 152-S; (cont'd) Wednesday, 3/9/2011, 10:30 AM, Rm 152-S
H Sub for SB 177 Senate Utilities Committee	Statute of limitations increased for taxpayers claiming certain refunds and credits	On General Orders in House	02/23/2012 - House Committee Report recommending substitute bill be passed by Taxation
SB 208 Senate Ways and Means Committee	Long-term capital improvement program and facilities plans by public safety state agencies	In Senate Ways and Means	02/17/2011 - Senate Referred to Ways and Means
SB 220 Senate Ways and Means Committee	Abolishing the office of the state fire marshal and transferring the duties and functions thereof to the division of facilities management, the Kansas bureau of investigation and the division of emergency management	In Senate Federal and State Affairs	03/09/2011 - Senate Scheduled Hearing in Federal and State Affairs: Tuesday, 3/15/2011, 10:30 AM, Rm 144-S
SB 223 Senate Ways and Means	Public facilities; accessibility standards, disabled persons	In House Federal and State Affairs	01/19/2012 - House Scheduled Hearing in Federal and State

Committee			Affairs: Monday, 1/23/2012, 1:30 PM, Rm 346-S
SB 232 Senate Ways and Means Committee	Reduction to state income tax rates based on selected actual state general fund receipts computations, and sales tax rates and distribution	In Senate Assessment and Taxation	03/10/2011 - Senate Referred to Assessment and Taxation
SB 235 Senate Ways and Means Committee	University engineering initiative act	In Senate Ways and Means	03/16/2011 - Senate Referred to Ways and Means; Scheduled Hearing and Possible Action in Ways and Means: Friday, 3/18/2011, 10:30 AM, Rm 548-S
SB 301 Senate Federal and State Affairs Committee	Board of Technical Professions; terms of members	In House Commerce and Economic Development	03/07/2012 - House Scheduled Hearing in Commerce and Economic Development: Tuesday, 3/13/2012, 1:30 PM, Rm 785 DSOB
SB 310 Senate Natural Resources Committee	Establishing local enhanced management areas	On General Orders in House	03/08/2012 - House Committee Report recommending bill be passed as amended by Agriculture and Natural Resources
SB 312 Senate Ways and Means Committee	Sales and compensating use tax; rate of taxation and distribution of revenues	In Senate Assessment and Taxation	02/15/2012 - Senate Scheduled Hearing in Assessment and Taxation: Thursday, 2/16/2012, 10:30 AM, Rm 152-S
SB 342 Senate Transportation Committee	Establishing a safety corridor program	In House Transportation	03/01/2012 - House Referred to Transportation
SB 375 Senate Natural Resources Committee	Adding a new exemption for solid waste permit	In House Agriculture and Natural Resources	03/06/2012 - House Scheduled Hearing in Agriculture and Natural Resources: Thursday, 3/8/2012, 9:00 AM, Rm 783 DSOB
SB 387 Senate Federal and State Affairs Committee	Qualifications of the state fire marshal	In House Federal and State Affairs	03/07/2012 - House Scheduled Hearing in Federal and State Affairs: Tuesday, 3/13/2012, 1:30 PM, Rm 346-S
SB 396 Senate Judiciary Committee	Lateral support of land and buildings; protections for party walls	In Senate Judiciary	03/07/2012 - Senate Scheduled Hearing in Judiciary: Wednesday, 3/14/2012, 9:30 AM, Rm 548-S

SB 405 Ralph Ostmeyer, R-40th	Existing private wastewater systems	In Senate Natural Resources	03/07/2012 - Senate Scheduled Hearing and Possible Action in Natural Resources: Friday, 3/16/2012, 8:30 AM, Rm 159-S
SB 430 Senate Ways and Means Committee	Income tax rates, adjustments, procedure and requirements; eliminate refund ability of income tax credits; presumptions relating to nexus for sales tax purposes; and severance tax exemptions	In Senate Assessment and Taxation	03/07/2012 - Senate Scheduled Hearing in Assessment and Taxation: Tuesday, 3/13/2012, 10:30 AM, Rm 152-S
SB 435 Senate Ways and Means Committee	Establishing a conservation reserve enhancement program (CREP)	In Senate Ways and Means	03/02/2012 - Senate Scheduled Possible Final Action in Ways and Means: Tuesday, 3/6/2012, 10:30 AM, Rm 548-S
SB 456 Senate Ways and Means Committee	Creating the municipality infrastructure improvement program	In Senate Ways and Means	03/08/2012 - Senate Referred to Ways and Means
SCR 1611 Vicki Schmidt, R-20th	Constitutional amendment; creating a contingency reserve fund in the state treasury; annual transfers; withdrawals only under certain circumstances	On General Orders in Senate	02/21/2012 - Senate Committee Report recommending resolution be adopted by Ways and Means
HB 2026 House Federal and State Affairs Committee	Kansas immigration accountability act	In House Federal and State Affairs	01/19/2011 - House Referred to Federal and State Affairs
HB 2084 House Local Government Committee	Consolidation of cities and counties by dual majority vote	In House Local Government	03/08/2012 - House Withdrawn from Appropriations; rereferred to Local Government
HB 2088 House Commerce and Economic Development Committee	Municipalities; sprinkler systems, residential housing; changes	In Senate Local Government	02/16/2011 - Senate Scheduled Hearing: Tuesday, 2/22/2011, 9:30 AM, Rm 159-S
HB 2109 House Agriculture and Natural Resources Committee	Creating the Kansas dam rehabilitation program	In House Agriculture and Natural Resources	02/23/2011 - House Withdrawn from Appropriations; rereferred to Agriculture and Natural Resources
HB 2116 House Vision 2020 Committee	Establishing state property tax levy for state water infrastructure maintenance, construction, renovation and acquisition	In House Taxation	01/28/2011 - House Referred to Taxation

HB 2120 House Government Efficiency Committee	Kansas government effectiveness and efficiency commission act	In Senate Federal and State Affairs	03/03/2011 - Senate Referred to Federal and State Affairs; Scheduled Hearing in Federal and State Affairs: Thursday, 3/10/2011, 10:30 AM, Rm 144-S
HB 2127 House Federal and State Affairs Committee	Municipalities; demand coordination by federal government and state government; regulations, policies	In House Local Government	02/09/2011 - House Scheduled Hearing: Tuesday, 2/15/2011, 3:30 PM, Rm 144-S
HB 2140 Special Committee on Legislative Streamlining	Repealing certain expired committees, task forces and requests for reports to the legislators	In Senate Ways and Means	02/22/2011 - Senate Referred to Way and Means
S Sub for HB 2149 House Agriculture and Natural Resources Committee	University Engineering Initiative Act	In House Appropriations	04/27/2011 - House Scheduled Hearing (cont'd) and Possible Action in Appropriations: Thursday, 4/28/2011, 9:00 AM, Rm 346-S
HB 2156 Gene Suellentrop, R-105th	Five-year phase out of income tax on corporations	In House Taxation	02/07/2011 - House Referred to Taxation
HB 2160 House Taxation Committee	Establishing the simplified state tax structure committee	In House Taxation	02/23/2011 - House Scheduled Discussion and Possible action: Thursday, 3/3/2011, 3:30 PM, Rm 783 DSOB
HB 2165 House Taxation Committee	Elimination of certain sales tax exemptions, imposition of sales tax on certain services, provision of sales tax exemption for certain purchases of food, and reduction of sales tax and certain income tax rates	In House Taxation	02/07/2011 - House Referred to Taxation
HB 2175 House Transportation Committee	Abolishing the Highway Advisory Commission	In Conference Committee	05/12/2011 Scheduled Meeting in Conference Committee: Thursday, 5/12/2011, 1st recess of 2nd chamber, Rm 159-S
HB 2198 House Appropriations Committee	School districts; capital improvements fund; limitation on state aid entitlement	In House Education Budget	02/09/2011 - House Referred to Education Budget
HB 2200 House Education Committee	Concerning school districts; relating to state aid for capital improvements and capital outlay	In Senate Education	03/28/2011 - Senate Withdrawn from Ways and Means; rereferred to Education

HB 2294 House Local Government Committee	Annexation procedures; deannexation; board of county commissioners duties; election required, when; homestead exemption; appeal process	In Senate Local Government	03/09/2011 - Senate Scheduled Hearing in Local Government: Tuesday, 3/15/2011, 9:30 AM, Rm 159-S
HB 2358 House Appropriations Committee	Decreasing sales tax rate and earned income tax credit and food sales tax refund amounts	In House Taxation	02/21/2011 - House Referred to Taxation
HB 2369 House Appropriations Committee	Implementation of state fire marshal orders by a board of education	In House Education	03/07/2011 - House Scheduled Hearing in Education: Thursday, 3/10/2011, 9:00 AM, Rm 784 DSOB
HB 2370 House Appropriations Committee	Abolishing the office of the state fire marshal and transferring the duties and functions thereof to the division of facilities management, the Kansas bureau of investigation and the division of emergency management	In House Transportation and Public Safety Budget	03/07/2011 - House Scheduled Hearing in Transportation and Public Safety Budget: Thursday, 3/10/2011, 3:30 PM, Rm 142-S
HB 2379 House Taxation Committee	Reallocation of assessments after exemption of property and issuance of bonds in community improvement districts	In House Taxation	03/11/2011 - House Referred to Taxation
HB 2381 House Taxation Committee	Reduction to state income tax rates based on selected actual state general fund receipts computations, and sales tax rates and distribution	On General Orders in House	03/15/2011 - House Committee Report recommending bill be passed by Taxation
HB 2429 Legislative Educational Planning Committee	Removal of expiration date for the State Educational Institution Project Delivery Construction Procurement Act	On Consent Calendar in Senate (3rd day)	03/05/2012 - Senate Committee Report recommending bill be passed and placed on Consent Calendar by Ways and Means
HB 2442 House Social Services Budget Committee	Relating to employment of disabled individuals and competitive bids for state contracts	On General Orders in House	02/14/2012 - House Committee Report recommending bill be passed as amended by Appropriations
Sub for HB 2455 House Energy and Utilities Committee	Motor fuel tax; long-term feasibility study	In Senate Assessment and Taxation	03/01/2012 - Senate Scheduled Hearing in Assessment and Taxation: Tuesday, 3/6/2012, 10:30 AM, Rm 152-S
HB 2472 House Energy and Utilities Committee	Rural water districts; definitions	On General Orders in Senate	03/01/2012 - Senate Committee Report recommending bill be passed by Natural Resources

HB 2515 House Commerce and Economic Development Committee	Competitive Bid Protection Act	In Senate Ways and Means	03/07/2012 - Senate Scheduled Hearing in Ways and Means: Tuesday, 3/13/2012, 10:30 AM, Rm 548-S
HB 2516 House Agriculture and Natural Resources Committee	Allowing a water bank charter to become permanent	In Senate Agriculture	02/29/2012 - Senate Scheduled Hearing in Agriculture: Tuesday, 3/6/2012, 8:30 AM, Rm 159-S
HB 2517 House Agriculture and Natural Resources Committee	Making the water transition assistance program permanent	In Senate Agriculture	02/29/2012 - Senate Scheduled Hearing in Agriculture: Tuesday, 3/6/2012, 8:30 AM, Rm 159-S
HB 2628 House Taxation Committee	Reducing sales tax rate to 5.3% commencing July 1, 2012	In House Taxation	02/06/2012 - House Referred to Taxation
HB 2649 House Government Efficiency Committee	Repeal of certain water statutes	In Senate Agriculture	03/01/2012 - Senate Referred to Agriculture
HB 2667 House Taxation Committee	Comprehensive plan for reduction of sales tax rate and income tax rates, elimination of certain sales tax exemptions, imposition of sales tax on certain services and provision of sales tax exemption for certain purchases of food	In House Taxation	02/09/2012 - House Referred to Taxation
HB 2685 House Energy and Utilities Committee	Allowing eligible water right holders to create reservoir improvement districts	In Senate Natural Resources	03/01/2012 - Senate Scheduled Hearing in Natural Resources: Friday, 3/2/2012, 8:30 AM, Rm 159-S
HB 2687 House Government Efficiency Committee	State Building Advisory Commission, reports and recommendations on state capital improvement budget estimates	In Senate Ways and Means	03/07/2012 - Senate Scheduled Hearing in Ways and Means: Tuesday, 3/13/2012, 10:30 AM, Rm 548-S
HB 2692 House Vision 2020 Committee	Distribution of sales and use tax revenue; funding streams to the state water plan fund	In House Taxation	02/09/2012 - House Referred to Taxation
HB 2705 House Government Efficiency Committee	State building construction, monthly progress reports on capital improvement projects by secretary of administration	In Senate Ways and Means	03/01/2012 - Senate Referred to Ways and Means
HB 2708 House Appropriations	Renewable energy resources	In Senate Utilities	02/29/2012 - Senate Scheduled Hearing in Utilities:

Committee			Wednesday, 3/7/2012, 1:30 PM, Rm 548-S
HB 2747 House Taxation Committee	Taxation, rate reduction for income and privilege tax based state general fund receipts computations; income tax, deductions, credits and income determination; distribution of sales and use tax revenue; severance tax exemption; and rural opportunity zones	In House Taxation	02/15/2012 - House Referred to Taxation; Scheduled Hearing in Taxation: Wednesday, 2/15/2012, 3:30 PM, Rm 783 DSOB; Continued - Thursday, 2/16/2012, 3:30 PM, Rm 783 DSOB
HB 2755 House Appropriations Committee	Allowing the Kansas fairgrounds foundation to construct a building on the state fairgrounds, using private moneys; requires state fair board approval	On General Orders in House	03/07/2012 - House Committee Report recommending bill be passed as amended by Appropriations
HB 2763 House Taxation Committee	Enacting the Kansas Economic Freedom Act of 2014	In House Taxation	03/07/2012 - House Scheduled Hearing (Pro) in Taxation: Wednesday, 3/14/2012, 3:30 PM, Rm 783 DSOB; Scheduled Hearing (Opp) in Taxation: Thursday, 3/15/2012, 3:30 PM, Rm 783 DSOB
HB 2776 House Federal and State Affairs Committee	State Fire Marshal; prohibit adoption of certain fire codes	In House Local Government	03/08/2012 - House Referred to Local Government
HCR 5005 House Energy and Utilities Committee	Establishing targets for energy development, consumption and costs	In House Energy and Utilities	01/21/2011 - House Referred to Energy and Utilities; Scheduled Hearing: Thursday, 1/27/2011, 9:00 AM, Rm 785 DSOB
HCR 5013 House Federal and State Affairs Committee	Constitutional amendment to provide revenue, expenditure and taxation limitations on state government	In House Taxation	02/11/2011 - House Referred to Taxation