



**2022 Kansas Legislative Session
Weekly Legislative & Regulatory Update
Week 11**

At a Glance

- New Senate district maps revealed; House maps likely this week
- Water bills receive hearing
- Puzzling out the budget, KPERS and a tax package
- Energy Update

Looking Ahead

- 18 March – Last Days for Committees to meet
- 21- 23 March – On Floor All Day
- 23 March – Last Day for non-exempt bills in either chamber
- 28 March – 1 April – Conference Committees meet
- 1 April – Projected First Adjournment
- 25 April – Veto Session Begins

Week 11

While our daylight hours are getting longer, the time remaining in the 2022 Legislative session is getting shorter and the number of pending bills continues to grow. There are no less than five proposed constitutional amendments some addressing tax matters and two addressing judicial selection; the budget is being developed; a significant tax bill with probably several various provisions is looming; debate persists over the emergency powers of state and local government; legislation to infuse \$1 billion into KPERS to lower the unfunded liability; redistricting and a suite of other less high-profile bills.

Redistricting

The Senate introduced the proposed new Senate district legislative maps on Thursday. The pastel-colored map is referred to as Liberty 2 which was proposed by Senate Leadership. Senate Democrats introduced the map known as Eisenhower 1. There are about 200 pages of supporting computations for each map in addition to very detailed maps for many of the most populace regions of the State.

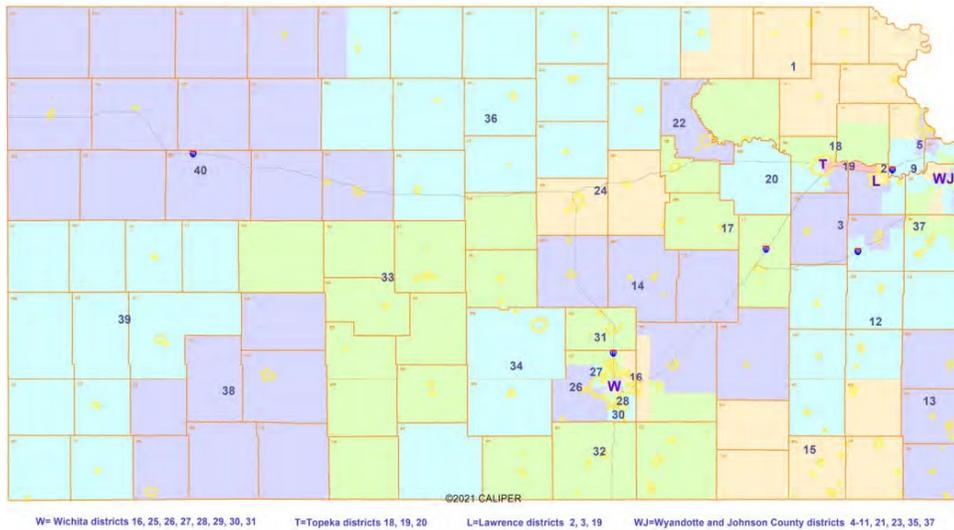
In addition, below is a link to a Sunflower State Journal article which depicts the population deviation since the 2010 census which determines how new districts are shaped. Several House seats in Johnson and Douglas counties are between 20-40+ percent above the 2010 proscribed House district size while some House seats in rural areas are well-under proscribed population levels.

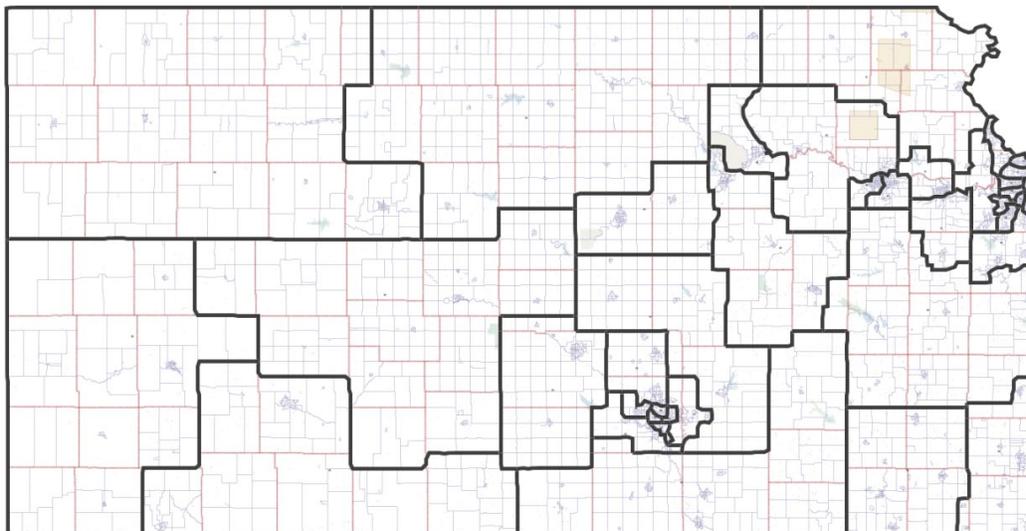
Based upon the 2020 census, the target population of each House district will be 23,503 with a deviation of 5%, basically plus or minus about 1,175 people and range of between 22,329 and 24,679. The target population of each Senate district will be 73,447 with a deviation of 5%, basically plus or minus 3,672 people and range of between 69,775 and 77,119.

The House Redistricting Committee which hasn't met since the Congressional map was debated is slated to meet this week so it is expected House district maps will be introduced Monday or Tuesday. The Senate Redistricting Committee is slated to meet this week to consider the various Senate district maps – there are no less than four potential maps. The 108th House District which is current occupied by Rep. Steven Johnson and formerly represented by Josh Svaty, will be carved up and the new district moved to Johnson County. Rep. Johnson is running for State Treasurer and thus will not be running for re-election. Representative Johnson is the only House or Senate member to officially announce intentions. It is easier to adjust districts when the incumbent is not returning. In the Senate however, there was a de facto retirement announcement when the new Senate districts were put forth. The district held by Senate Vice-President Rick Wilborn was divided up – a likely signal he may not seek re-election.

The Congressional map known as Ad Astra 2 is pending in District Court. The Attorney General did ask for expedited review by the Kansas Supreme Court but the Court said the case needed to be vetted in the lower courts first.

[How the census shaped legislative districts | Sunflower State Journal](#)





Water

The mega House Water Bill HB 2686 continues to idle on the House Calendar not likely to ever see debate. Meanwhile, SB 548 and SB 549 introduced at the request of REAP with support from KMU, are scheduled for a hearing Monday, March 14th in Senate Agriculture and Natural Resources. The two water bills are narrowly crafted. SB 548 is only 7 words long. It is referred to as the “Administrative Fix” which allows Groundwater Management Districts to operate as they are currently, but they no longer would have the ability to make decisions on water rights which are governed technically by the Water Appropriations Act rather than the Groundwater Management Act. SB 549 is the “Withdraw bill” that would allow any entity that is non-irrigating to withdraw from the Groundwater Management District.

Budget & Taxes

The budget is being pulled together and tax bills are churning however both are in slow motion as the State waits to hear back regarding the “APEX project” which is more widely known now to likely be Panasonic that could bring 4,000 new jobs to Kansas likely making batteries for electric vehicles – perhaps Tesla. Associated with the anchor manufacturer there are likely 4-5 additional component part manufacturers that would set up shop in the selected state as well. Kansas is in direct competition with Oklahoma for the significant new economic opportunity. An incentive package was passed by the Legislature that served as the majority of the State’s bid to the company. If Kansas is selected as the site, the incentive package could have economic consequences for the tax bill and thus the budget. A decision from the APEX company is expected soon. Legislation is moving in both Chambers to infuse \$1 billion into KPERS to help pay down the unfunded liability associated with the state retirement system which could mean the gap could be closed potentially by 2031. This large infusion would impact funding available for a tax cut package. Tax related bills are being debated and could be folded into one tax reform package toward the end of session including some potential topics:

- Reduction in the sales tax rate on food or a full repeal.
- Reduction in the overall state sales tax rate.
- Elimination of state sales tax on commercial and industrial utility bills specifically gas, electric, water. Residential customers do not pay state sales tax on utility bills.
- Property tax relief in the form of adjustments to revenue neutral budgeting, increasing the exemption from the statewide mill levy for schools, targeted relief for seniors.

Coal-Combustion Residual Rule & Uri Resolution, Energy Matters

Evergy, Kansas City Board of Public Utilities and Sunflower requested introduction of legislation that would allow the three generating utilities with operating coal units to modestly increase KDHE imposed fees on themselves to retain the CCR rule compliance program at the state level rather than with the federal government. SB 417 had a hearing in the House Energy & Utilities Committee on Thursday, March 10 with little fanfare. The bill is scheduled to be worked on Tuesday, March 15th.

The House Resolution related to Winter Storm Uri investigations was heard in Senate Utilities and was promptly passed. The resolution encourages state and federal investigations into Winter Storm Uri and any potential price gauging. The bill sailed through the House with no trouble.

Senator Mike Thompson (R-Shawnee) introduced eight pieces of legislation to halt renewable energy development in Kansas and ratchet back the existing operating fleet. Six of his bills did not make the Turnaround deadline. One bill, SB 374, was introduced in an exempt committee. That bill would alter the property tax exemption for renewable energy generation thereby creating an asymmetric property tax exemption paradigm in Kansas for generation, transmission and pipelines. Currently, there is parity in the tax code. SB 374 will be heard in Senate Assessment & Taxation on Tuesday, March 15th.

The 7th of the Chairman's 8 bills, was on the Chair's schedule last week. SB 478 directs all wind farms – new and existing - operating in Kansas to install ADLS technology on their projects. The bill gave the county commission the authority to select the ADLS technology to be installed on each project. The bill did not speak to cost recovery and there was a series of other significant concerns about the measure. Following the hearing on SB 478, Chairman Thompson told the proponents and opponents to “get into a room” to hammer out an agreement on SB 478. He expected an agreement could be reached about an hour despite the fact that at minimum, this is still a matter of federal jurisdiction and authority that the state is seeking to insert itself into. There was discussion about a state taskforce or interim committee on light mitigation which the Chairman sought to expand to setbacks and his other priorities. SB 478 was worked in Senate Utilities Committee on Thursday. One amendment was offered and passed that made the bill prospective however Senator Thompson offered a second amendment that would have included retroactivity. The Chairman pulled his amendment due to lack of support. A motion to table the bill was offered and it passed. SB 478 is currently tabled however it is likely a motion to pull the bill off the table could be considered.

Looking Ahead

This will be a fast-paced week with lawmakers seeking to move initiatives out of committee or perhaps to bottle up a few from moving.

As always, please call/email or text anytime with questions! We are here to help!

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