



**2022 Kansas Legislative Session  
Weekly Legislative & Regulatory Update  
Week 8**

**At a Glance**

- The second phase of the Legislative session begins
- Budget, education and taxes
- Water bill's uncertain future

**Looking Ahead**

- 1 March – Legislature resumes work
- 18 March – Final day for non-exempt committees to meet
- 1 April – Projected First Adjournment

**Week 8**

The Kansas Legislature returns from the Turnaround break on Tuesday. Lawmakers were scheduled to be in their home districts Friday and Monday, but the Legislature concluded its work a bit early last week. Turnaround is the date by which all bills that have been introduced need to be passed out of their house of origin (if they were introduced in the Senate, they need to be through the Senate, or vice versa) or else those bills are dead for the session. Although in true legislative speak, nothing is dead for the session, until the gavel falls for Sine Die at the conclusion of the legislative session. Lawmakers were able to wrap up their Turnaround work during daylight hours because they did not debate any spending bills (budget bills), they did not debate any bills that alter tax policy in the state, nor did they debate bills that had already passed the initial legislative deadline threshold and they didn't debate any blessed bills. "Blessed" bills are those that are introduced or exist in blessed committees, which are the four bigger committees in either chamber – Tax, Federal and State Affairs, Judiciary, and Appropriations for the House or Ways and Means for the Senate. As you look at that list of exempt committees that are able to have their bills blessed, it will start to be apparent: those are important committees. Tax bills, budget bills, social issue bills, education policy and redistricting – these debates can be long and arduous, were largely avoided this last week. Those bills still exist and will move forward after the Legislature returns on Tuesday, March 1<sup>st</sup>. There is ample work – dare it be said, a lot of work still to be done in the next four to five weeks.

**Redistricting**

While the House and Senate have passed the updated Congressional maps known as Ad Astra 2, the new Senate and House district maps have yet to be revealed. The Senate map was anticipated last week. Some legislators have seen the draft maps and conversations are starting to occur about which districts expand in land mass, which contract and if there are legislators that will find themselves vying against a colleague for either a House or Senate seat. Another

factor for consideration in the redistricting process is the legislators that are not seeking re-election. At times, that knowledge can help with the shape shifting of the seats. For example, the 108th House district is currently represented by Representative Steven Johnson who is running for State Treasurer. It is likely that the 108<sup>th</sup> will significantly change since the incumbent is not seeking re-election to the House thus providing flexibility to lawmakers to use portions of the 108<sup>th</sup> to balance out nearby districts.

### **Budget, Education and Taxes**

The budget bill is making its debut this week for consideration. Legislators will put together the base budget and then following the April Consensus Revenue estimates when they return to Topeka will finalize the budget and work toward its passage. This is a constitutionally required element.

In the Senate alone, there are more than a baker's dozen of tax reform packages that are waiting to lunge out of the gate for debate. The House is likely to move on the food sales tax elimination bill first. The Senate food sales tax bill was loaded up in the Senate Assessment & Taxation Committee to include a slew of provisions including eliminating the state sales tax on utility service for commercial and industrial customers as well as increasing the home valuation to \$60,000 from \$20,000 that is exempt from the twenty mills put toward school funding. The tax bills all carry a negative fiscal note to the state some with the Senate large tax bill perhaps costing the State more than \$1 billion annually.

Lawmakers are also slow playing the budget and tax bills until the fate of APEX is known as APEX could come with a significant annual cost that was not accounted for in the Governor's budget proposal. The folks working closely on APEX said the decision would be made in late February with a potential announcement in early-mid March.

Education policy will be another wild card for how the session concludes. There are a series of proposals being put forth by the House K-12 Budget Committee and the Senate Education Committee that could mire either chamber down in debate for hours if not days. Gaming including sports wagering is still outstanding as is a proposal related to judicial selection.

Lastly, legislation was introduced to create the Kansas Commission on the United States sesquicentennial.

### **Water**

The House Water Committee is slated to take up the mega water bill this coming week following several days of committee deliberation and discussion. The bill itself may be too big to be addressed this session, but we remain at the forefront of the water bill conversations.

### **Electric Matters**

KMU's bill tracker is well over 13 pages long at this point chalk full of bills that we are watching which directly or indirectly impact our communities to operate their electric, natural gas, water or wastewater utilities in the best interest of their community. Many of the bills that we were watching closely did not make the Turnaround deadline including a bill that was intended to put

a 1% rate cap on investor-owned electric utilities but did include municipal utilities inadvertently. We had secured an exemption in the bill as it was being considered. But the bill did not advanced.

There were two other bills that would have impacted Board of Public Utilities that did not make the Turnaround deadline. The first bill would have set a cap on additional fees beyond the revenue requirement for the utility. The second would have put the KCC in the difficult position of comparing BPU customer policies with that of investor-owned utilities.

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 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. The second bill, SB 478, was blessed. The bill deals with the FAA required lighting on the top of wind turbines. We would anticipate a hearing in one of the first two weeks back from turnaround. All other bills in that committee that did not come out are dead.

### **Coal-Combustion Residual Rule**

Evergy, Kansas City Board of Public Utilities and Sunflower requested introduction of legislation in the Senate Agriculture and Natural Resources Committee that would allow the three generating utilities with operating coal units to modestly increase KDHE imposed fees on themselves in order to maintain the CCR rule compliance program at the state level rather than with the federal government. The bill passed the committee with no trouble and was passed by the full Senate last week with only one dissenting vote. The bill is now headed to the House for deliberation.

### **Health Care**

On Monday of last week, the Senate Public Health and Welfare Committee had a brief informational hearing on the contents of SB 179, which was the full practice authority bill for APRNs that was heard in the same committee last year. Upon conclusion of the testimony from a proponent and testimony from an opponent, the committee worked that bill. The committee decided to take the contents of SB 454 – this year’s language for full practice authority for APRNs – and place it inside a House Bill (HB2279) that had been gutted for that purpose. Upon taking that action, the committee voted the bill out with only one recorded no vote. The Senate Substitute for HB2279 will now go to the Senate Floor. Because it was in a House bill, it did not need to pass the Senate prior to turnaround, so we will expect to have that reach the Senate floor at some point in the next two weeks.

### **Looking Ahead**

We expect the Senate Utilities committee to continue having meetings during the month of March. With little coming over from the House for them to work on, these meetings will be directed by the chair, so we will of course watch them very closely. This week in the House Energy & Utilities Committee there will be a presentation from the Kansas Corporation

Commission (KCC) about rates and ratemaking with some content from the Kansas Industrial Consumers Group. On Thursday there will be a presentation about electricity transmission. In the Senate Utilities Committee, Lanny Nickel will present to the committee and the committee will have a hearing on a seemingly non-controversial bill requested last session by the KCC related to pipeline safety.

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

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