Legislative Update May 7, 2019

The biennium is almost finished. The legislature wrapped up most of its business in the wee hours of Sunday morning. Legislators will return to Topeka on May 29, 2019 to put the finishing touches on the 2019 Session and move to Sine Die Adjournment.

For a review of common legislative terms, please refer to the “Common Legislative Terms” list on the www.KansasCounties.org website in the “Services” Tab under “Legislative,” or bookmark http://www.kansascounties.org/services/legislative/common-legislative-terms.pdf/view

Weekly Highlights

The Kansas Legislature burned the midnight oil over the weekend to finish up its work. Coming into the “Veto Session” there were a handful of major issues that needed to be addressed:

- The Budget
- What would become of SB 22
- Medicaid Expansion

SB 22, as I have discussed during this session, was the tax “windfall” bill. It was vetoed by Governor Kelly. Although the Senate never attempted to override the veto, the policy positions contained in the bill were still available for the Tax Conference Committee to consider, along with the county sales tax provisions for Dickinson, Finney, Jackson, Russell, Thomas, and Wabaunsee counties, and several other provisions that had passed either the House or Senate. KAC supported moving the county sales tax provisions into one bill rather than having them included with other items. However, there was some hesitation to do this because the tax conference only had two shells to work with (HB 2033 and HB 2160), and did not want to use both because there was also interest in working with the tax “windfall” provisions separately. However, the Senate Financial Institutions and Insurance (FI&I) Committee had an extra shell (HB 2140). The House Tax committee conferenced with the Senate FI&I Committee and put the six county sales tax provisions into a conference committee report (CCR) for HB 2140, along with a tax exemption for gold bullion.

This move allowed the sales tax exemptions to be considered in a separate bill, rather than bundled with other unrelated policy. This provision passed the Senate on Thursday evening by a 33-7 margin. While the bills passed the Senate unanimously the first time, some members of the Senate Tax and Assessment committee were interested in bundling other provisions with the sales taxes.

HB 2033 was then used to include provisions previously contained in SB 22, although this version was modified to decrease the fiscal note to win the governor’s signature. This CCR passed with a 27-13 margin. This margin is important because it is a veto-proof majority.

It should be noted that CCR’s are voted up or down only. There is no opportunity to amend the CCR on the chamber floor. It is a simple take it or leave it vote. This sometimes causes
frustration, because individuals wanting other provisions in a CCR (or that are against a single provision) may vote against a bill containing policy they would otherwise support in order to send the CCR back to committee to add or subtract items.

That vote sent the bill over to the House. However, the House was not moving anything until the budget was passed. This would prove problematic, because a bipartisan coalition supporting a vote on Medicaid Expansion formed.

The House passed a version of Medicaid Expansion (over the objection of House Republican leadership) earlier in the session, but the Senate had not taken it up either in committee or on the Senate floor. An attempt to have a Medicaid Expansion debate on the Senate floor failed when the procedural motion garnered 23 votes (one vote short of the necessary amount), to bring the bill out of committee. Having failed to bring Medicaid Expansion out of committee, the Senate voted to pass the budget and send it to the House. With the Senate having passed the budget already, the House held all of the critical remaining pieces of legislation.

Procedurally, since the vehicle for the budget was a Senate Bill (House Sub for SB 25), the House had the opportunity to run the bill first. Since the Senate passed both HB 2033 and HB 2140 already (CCRs on House bills), the House had the final action on both of those items. The House also had control of the adjournment resolution this year.

House leadership would not allow anything to come to the floor until the budget passed. The coalition would not vote through a budget until Medicaid Expansion was taken up in the Senate. The legislature was at an impasse.

The first budget failed on Friday afternoon when a bipartisan majority narrowly rejected it with 63 votes to send the budget back to conference. A second budget emerged from conference, but was resoundingly defeated after cuts were made to higher education, corrections and other programs. By that point, it was already after 10 PM on Friday and there was no agreement with the coalition. A few procedural motions were made to send the bill back to conference, at which point the House adjourned until Saturday morning.

Saturday started at 10 AM, but literally nothing happened until nearly 6 PM, as the House and Senate traded recesses for most of the day without either chamber taking up any substantive action on the floor. Finally, around 6 PM the vote on the budget began. Initially, the vote was short of a majority to approve the budget. At this point, a “call of the House” was issued. During a “call of the House” the doors to the chamber are closed and members may not leave without permission while any missing members are located to cast their vote. During this time, members may also change their vote. The call of the House lasted for more than 2 hours. When it was over, the House passed the budget with a very solid majority, as most every Republican member voted for the CCR on the budget.

With that vote done, House leadership brought forward the remaining CCR’s, including HB 2140 and HB 2033. By now, though, time was not on their side. The legislature has a rule preventing business between the hours of midnight and 8 AM on the floor. This rule was created after a
legislator died in a one car accident following a late night/ early morning legislative session. The House voted to suspend the “midnight” rule, which narrowly passed.

HB 2140 passed easily, with over 90 votes in favor. This CCR may have lost some votes based on several members strongly objecting to continuing to work bills into the wee hours of the morning. The CCR for HB 2140 passed nearing 11 PM on Saturday, with the House having been in session for 13 hours. The CCR for HB 2033 also passed, though it did not achieve a veto-proof majority in the House. This item merits watching to see what Governor Kelly does with the trimmed down version of the tax “windfall” bill.

There were lots of negotiations on the budget and Medicaid Expansion to finally break the impasse in the House. While the agreement includes an interim committee that will recommend an Expansion bill for next year, it is unclear what the parameters around that committee (or the contents of the bill) may be. Because much of the negotiation happened informally, there is not a documented plan of parameters or requirements. KAC will continue to track the progress of Medicaid Expansion.

**What Comes Next**

There are several items up for discussion in the interim, including Medicaid Expansion, Property Tax reform, and Transportation.

Be sure to keep an eye out for the Legislative recap after Sine Die Adjournment later this month. This recap will include a summary of all of the important legislation that passed this session, and what it means to county government, as well as a preview of where the KAC legislative plan goes from here in preparation for the 2020 session.

**Other Resources**

For daily information on things happening in the Legislature, follow @KansasCounties and @JayHallKS

You can find information on the Kansas Legislature, such as daily calendars, audio links and bill text at [www.kslegislature.org](http://www.kslegislature.org)