



# Statehouse News

March 3, 2023

## The Second Half

The Kansas Legislature has taken its half time break and is now ready to play the second half. This is where things get crazier and more dangerous. Look for bills that have been killed or left to die to be resurrected as obscure amendments to other bills without meaningful debate and certainly no hearings.

The Senate Assessment and Tax Committee cranked out a whole list of bills in the past couple of weeks. Senate Bill 248 which would eliminate state and local sales tax on groceries was pushed out of the committee without any further debate or testimony.

Senator Tom Holland, D-Baldwin City, complained that major tax policy was being made and passed on the fly. Tax chair Senator Caryn Tyson, R-Parker, looked surprised and responded by saying “that’s the way we do things here.” Could that be why so much bad legislation and with unintended consequences get approved?

## Legislative Update

**HB 2269 Tobacco:** The Kansas House passed legislation to raise the legal age for tobacco products from 18 to 21. The bill will apply to the sale, purchase or possession of cigarette and tobacco products. Many Kansas communities have already adopted the 21 age rule.

**Renewable Energy:** The House Appropriations Committee voted 13-8 to reject a proposal ordering a broad study of the health and environmental effects of wind turbines, power transmission lines, solar panels and so-called “hydrogen hubs.” The measure was slipped into the budget bill with no hearings. The amendment would have blocked environmental permitting for energy projects until 2025 and could have affected efforts to secure a \$1.2-billion federal grant for a regional hydrogen hub in Kansas.

**Revenues:** February Kansas tax revenues, for the 30th time in the past 31 months, beat estimates at \$514 million, over predictions by \$17.5 million, or 3.5%. Those figures put state tax receipts over the first eight months of Fiscal Year 2023 at \$6.13 billion, 3% above estimates of \$5.96 billion, and \$504 million or 9% above receipts this time last year.

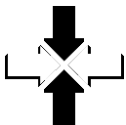
**SB 248 Food Sales Tax:** As this bill came out of the Senate would move the mission to end the sales on groceries to January 2024 instead of 2025. But it also prohibits local governments from imposing local sales taxes on grocery sales. The promise always was that local city/county sales taxes on groceries would be left alone. Senate President Ty Masterson, R-Andover, presented this as a way to pay for the revenue that will be lost by moving to a 4.75% flat income tax.

**SB 252 Government Competition:** Let's take a short review of how SB 252 came to be. The wealthy Stevens family of Wichita owns the Genesis Health Clubs. They didn't think it was fair they had to pay property taxes when the YMCA did not. So they gave lots of campaign donations and got friendly legislators to introduce a bill. The bill has transformed into an anti-government bill and would punish governments for providing needed services for their residents. Over the past few sessions the concept of the bill... tax breaks for business... grew and grew so now almost every business in the state could make a case for the tax break. The bill is written very broadly. Here are some examples of what could happen under this bill: a guy who owns a couple of lawn tractors and mows grass could claim he is forced to compete against the local government parks department which also mows grass. If the guy bases his business out of his home... he could get all of the property taxes on his house erased. The lawn mowers and all the fuel and other supplies would be exempt from paying sales tax. This scenario can be applied to dozens of other situations. KAC, KCCA and LKM are all opposing this bill.

**SB 273 3-Mile Zone Repeal:** SB 273 would repeal city planning and zoning authority within the 3-mile area extending from city boundaries. The House Local Government Committee killed the bill, but it was resurrected and brought back to life in the Senate. Local Government Chair Carolyn McGinn has spiked the bill. She served years as a Sedgwick County Commissioner.

**HB 2083 Vacant Property Registry:** The original bill prohibited cities and counties from enacting vacant property registries. The bill was amended so cities and counties can create a registry but cannot charge a fee for landlords or property owners who own vacant properties.

**Water Issues:** The Environmental Protection Agency (EPA) will require states to evaluate cybersecurity as part of their checks on public drinking water systems. The agency says many systems haven't taken basic steps to ensure their security, even as cyberattacks are becoming more frequent. The EPA will require states to audit the cybersecurity practices of local water systems. EPA officials say an example of lax security was highlighted when an ex-employee of Kansas municipal water system sabotaged the system after his firing and was able to interrupt water treatment remotely.



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**StrategyConsultants**

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4530 N 108th Street  
913-449-4848

Kansas City, Kansas 66109  
miketaylor4530@gmail.com

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