

2015 Legislative Update No. 12 from Ron Highland, Representative of the 51st District

Friday April 3, 2015 was “Drop Dead Day.” That is the last day bills will be considered except those dealing with budget and taxes. There are still bills in conference committees that will be completed when the Legislature reconvenes on April 29th, the beginning of veto session. The return date holds true for most of the legislature but those of us assigned to the Appropriations and Tax Committees will be returning a couple days early. The break gives the legislative staff and printer’s office time to catch up with the bills passed so far.

The Tax Committee met to hear the latest Revenue Department and Budget Department reports on March revenues and the projected budgets for 2015, 2016, and 2017. The March revenues were down \$11.2 Million. When looking at the total revenue picture a couple things became obvious. Kansas is being affected by not only national factors but also by international events as well. Most notable is the effect of the low oil prices. In Kansas, 95 of the 105 counties are involved in oil and/or gas production. Production has been stopped in some cases or slowed down in others, causing a continuing decline in oil and gas severance taxes. The result has been layoffs of personnel and reduced income for the companies. That cascades down to sales tax revenue decline. We also have the Federal Government imposing regulations through the EPA and Wildlife & Endangered Species Agency that are impeding development of our natural resources. Add to this the increase costs of goods to include food, utilities, and clothing and the effects are dramatic.

That \$11.2 Million reduction in revenue, when projected to the end of June, results in a projected \$292 Million shortfall for the year ending on June 30, 2015. The Budget Committees have worked to develop a budget for this and the next two years, but the numbers so far show a short fall in revenue to cover the budget expenses. No decisions will be made until the April receipts are in and the Budget Department releases the new projections. The Legislature will then have to develop a plan to fund the State Government for the rest of 2015 and the next two years. As you know, we have to balance the budget by law. That leaves us with more necessary cuts or increasing revenues. Several ideas have been brought forth for increasing revenues, mostly tax increases. Each idea had many opponents and few proponents. One idea being discussed is that as a state we have a spending problem, but this idea falls on deaf ears of many in the Legislature. Nobody likes to raise taxes, including me. The economy is depressed and to add the additional burden of more taxes is not an appealing proposal to most of us. The month of May will be interesting to say the least. There are no easy answers.

Four bills were passed of significance and will go to the Governor for signing. SB 154 – (HB 2357 was inserted) Welfare reform for Kansas residents; HB 2216 – (HB 2100, HB 2258, and HB 2352 were inserted) The ABLE act that allows individuals to set up savings accounts for disabled children for their future. This bill allows the same structure as a college savings plan. HB 2101 – (SB 228 was inserted) Defines eligibility for disability, and SB 117 – The Uber bill.

The Governor has signed 13 bills into law so far. The list can be viewed at media@ks.gov. At that site, any new signings will be added to the list. You can read the bills in their entirety by going to the legislative web site, <http://www.kslegislature.org/li/>. If you need help navigating the

site you can go to my web site, www.ronhighland.com where there is a syllabus that explains in detail how to get the information you need.

I attended the Emporia Chamber Dialog Series forum, and have given numerous radio and newspaper interviews this week. My contact information is: 785-296-7310; Rm 561 W, State Capitol, Topeka, Kansas, 66612; and ron.highland@house.ks.gov. It is an honor and a privilege to serve you.