

LEGISLATIVE REPORT

APWA KC Metro

Kansas Legislative Report

March 21, 2024

March Madness has reached Topeka as most committees wrapped up their business for the year. Committees collectively recommended dozens of bills to move forward in the process while hundreds of other bills not receiving action will effectively be lost. There are just two weeks left before the April break, with next week planned for debates on the House and Senate floor and the first week of April reserved for conference committees to reconcile differences between House and Senate versions.

Despite the committee work, the Senate and House kept busy on the floor debating bills. The House debated and passed its mega budget bill. The differences with the Senate's budget will be negotiated in conference committee soon. Several controversial issues are yet to be resolved. While the Senate passed another major tax package last week that features a single rate for income tax, the House is proposing a modified approach by lowering income tax rates with a two-bracket system. Both packages offer several additional tax cuts in various forms. School finance and education policy will lead a list of dozens of bills with anticipated floor debate next week.

Transportation Policy & Funding

This week it was the House's turn to debate and pass its budget bill. Contained in Substitute for HB 2273, the three hour debate yielded plenty of discussion and consideration of amendments. Like the Senate budget, within the budget bill are several items of interest to the Department of Transportation that concurs with the Governor's recommendation with adjustments.

Several items, such as transferring \$15M from the State Highway Fund to the Kansas Airport Improvement Program in 2025 is also part of the Senate's budget.

There are several differences, however, that will be negotiated in the budget conference committee that will meet next week. This includes the House's \$6M State Highway Fund to aid to local governments to upgrade county roads impacted by the new Hilmar Dairy facility while the Senate's budget includes \$5M from the State Highway Fund for passenger rail service and another \$10M from the State Highway Fund, for the Kansas Air Service Development Incentive program for grants to primary airports. Primary airports are the seven airports in the state that receive commercial service and not eligible for Kansas Airport Improvement Program grants.

The Senate's budget also includes almost \$19M in additional expenditures for the Kansas Highway Patrol that comes from the State Highway Fund and language from SB 382 pertaining to the Build Kansas Matching Grant program. Specifically, the language would allow the Kansas State Treasurer to award funds to a community which has been notified that the communities' grant application does not qualify for federal matching funds under the IIJA after the local community has been notified by the coordinating agency.

Meanwhile, two other bills related to transportation funding saw activity this week. The first, SB 349, establishing an intercity passenger rail service program and making annual transfers into the passenger rail service revolving fund, is effectively stalled in the House. The House Committee on Transportation did not consider the bill and then SB 349 was moved to the House Committee on Judiciary where it was amended and had its contents removed to make space for another issue. Rail funding will still be discussed in the budget conference committee.

SB 272, increasing the State Highway Fund annual transfer to the Kansas Airport Improvement Program from \$5M to \$15M, was removed from the consent calendar after objection by a House member. The bill could be considered later in the budget conference committee.

Water Policy & Funding

The House Committee on Water did not meet this week, however, some of the committee's bills remain in play. SB 331 is a bill removing the definition of lead-free and an exception for leaded joints in the public water supply systems law and updating terminology relating to hazardous waste generated by certain persons. The bill had a hearing in the House Committee on Water earlier in March and was recommended by the committee. The bill is awaiting debate on the House floor.

On the Senate side, the Senate Committee on Agriculture and Natural Resources moved along HB 2634. The bill provides an additional corrective control provision for the chief engineer to consider when issuing orders of designations for local enhanced management areas and intensive groundwater use control area. The bill previously passed the House 120-0 and had a hearing in the Senate committee on March 13. The committee placed HB 2634 on the Senate consent calendar.

The Senate committee also forwarded HB 2525, providing for additional sources of revenue for the water program management fund and creating additional fees for the regulation of underground injection control wells. The bill passed the House 87-24 earlier this session and was recommended by the Senate Committee on Agriculture and Natural Resources. On March 21, the bill was debated and passed on the Senate floor by a 39-1 vote.

Thank you and please let us know if you have any questions.

Travis Lowe