

**LEGISLATIVE E-REPORT
LEAGUE OF WOMEN VOTERS OF KANSAS**

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LEAGUE OF WOMEN VOTERS OF KANSAS E-REPORT #17

Paul Johnson – April 27, 2012

VETO SESSION SPECULATION

The veto session is now in progress and the bartering has begun to pass certain key priorities. Constitutionally, the Kansas Legislature is only mandated to pass a budget every year and redistrict every 10 years. These 'must pass' issues provide the leverage to force resolution on other political issues. This is the time for true 'sausage making' in the political process. What important issues are paired together to find that illusive compromise? Will a 'moderate redistricting map' for the Kansas Senate be traded for tax policy changes? Will a portion of increased State revenues be used for public education and social services to find 21 votes in the Senate and 63 votes in the House to pass a 2013 Kansas' budget? The Kansas Legislature has fifteen days left to make their deals and leave town.

The full budget debate will begin next week. The Kansas Senate Ways & Means committee is now fine-tuning the entire \$14.1 Billion mega-appropriations budget that will be debated on the Senate floor next week. A similar process is happening in the Kansas House Appropriations committee and the full Kansas House will debate their budget next week. Several amendments will be offered to change the budget in both chambers. On the House side, the rules mandate that any additional funding must be offset by reductions in other programs. It is more likely on the House side that further budget cuts may be offered. Once the budget is passed in each chamber, there will be a conference committee of 3 House members and 3 Senators appointed to find that compromise between the two budgets. The compromise budget from this conference committee is not subject to any amendments when debated on the floor of the House or the Senate. The only option is to vote down the budget and force the conference committee to redo the budget. Often times it takes 2-3 versions of the state budget to find the necessary votes for passage. Since the Legislature has waited so long to pass the State budget, the Governor will be able to veto particular line items in the budget and the Legislature will be unable to override a veto.

Outside the mega-budget debate is legislation to increase funding for public schools and provide state funds to assist cities and counties to lower property taxes. The Senate has passed both bills on school funding and lowering property taxes. It is now up to the House to debate these measures. House leadership may well try and leverage these Senate budget requests for policy changes such

as a future growth cap on state spending? The Governor is now responding to the staffing and accreditation problems at Larned State Hospital by requesting an additional \$2 million. The Kansas Courts have suspended future Friday furloughs of court employees for now with the promise that the Kansas Legislature will fund the \$1.4 million shortfall for this fiscal year that ends June 30. The Senate has funded longevity bonuses for some state employees and increased salaries for certain underpaid state employees but the House has refused this request. Such discrepancies will have to be settled in the conference committee.

Redistricting and tax policy may be linked to find that illusive compromise. The Kansas Senate has passed a senate redistricting map that makes it much easier for several moderates to battle for their seats. The Governor's top priority is tax policy that will start eliminating income taxes for individuals and businesses. Senate leadership has voiced much stronger support for lowering property taxes before lowering income taxes. A compromise may be in the works for the Governor to support the Kansas Senate map if a tax bill passes eventually eliminating the income tax. To avoid changing the candidate filing deadline and the August 7 primary, the Kansas Legislature must pass the redistricting maps by May 10 so the Governor can sign the maps and the Kansas Supreme Court will have 15 days for review. The candidate-filing deadline would stay at June 1 and the primary would not be moved from August 7 to August 25. None of this deal making is cut in stone and Kansas House conservatives may object to the senate map. Kansas is now the last state in the union to draw a new Congressional map. The debate goes on over dividing Topeka or putting Manhattan in the 1st.

The Senate and House Tax conference committee has several more items to settle to find a true compromise. The conference committee has agreed that eliminating the sales tax on groceries will not be part of the final package. The food sales tax rebate and the earned income tax credit for low income households will be decreased to provide funds to lower income tax rates for wealthier households. The \$9.5 million tax credit for childcare and dependent care may well be eliminated. There is great uncertainty and lack of data concerning 'non-wage' income for sole proprietorships, limited liability corporations and subchapter S corporations. In 2009, 1.3 million tax returns were filed in Kansas. 191,991 of these returns had some 'non-wage' income totaling \$2 Billion in business income. 34,570 of these 191, 991 returns had 52% of this business income. Their income bracket is \$100,000 and over. There is no data on passive investors or out of state Kansas' filers with Kansas losing this income tax payment to New York or Texas. The entire cost would be \$164 million annually. The House has proposed a complete elimination over five years.

TRADITIONAL REPUBLICANS FOR COMMON SENSE

April 25, 2012

'Today, a group of 46 former traditional Republican legislators from across the state have joined forces to form Traditional Republicans for Common Sense. The group will advocate for common sense policy positions – like job creation, funding our schools and providing for common sense tax policy.'

"As former legislators, with over 500 years of collective service to Kansas, we care deeply about what happens to our communities, our homes," said former Assistant Majority Leader and State Chair of the Republican Party Rep. Rochelle Chronister. "Unfortunately, deep-pocketed special interest groups are spending millions of dollars attempting to buy the 2012 elections and silence voters. We will not allow that to happen without a fight."

"If something sounds too good to be true, then it probably is," said Chronister. "You don't need an economist to tell you that if you virtually eliminate the income tax then you are going to see a sharp rise in property and sales taxes. Increased property taxes are exactly what Kansans *do not* need."

"We have a moral obligation to the citizens of this state. If we want to ensure our long-term success then we cannot mortgage our children's future. Every farmer will tell you that you reap what you sow. Our children's future and the stability of our state is too important to gamble away with accounting tricks and the newest fad from a Washington, DC think tank."

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CORPORATE AGRICULTURE

House Bill 2502 changes the Kansas Corporate Farming Law to streamline the approval of corporate swine facilities. A conference committee met to settle the differences between the Senate and House version of this bill. A compromise was reached and report filed. The Kansas Senate has now approved the bill 36 to 4 and the Kansas House will take it up shortly before it is passed and sent to the Governor. In essence, if a county commission passes a resolution approving corporate hog operations the residents have 60 days to collect signatures from 5% of the voters in the last general election to force a vote. It does not matter if a county has voted down corporate hogs in the past.

http://www.kslegislature.org/li/b2011_12/measures/hb2502/

It is possible that the Kansas Corporate Farming Law is unconstitutional. Constitutional provisions limiting corporate agriculture in both Nebraska and South Dakota have been ruled unconstitutional by federal courts because they infringe on interstate commerce (known as the 'dormant commerce clause'). A request from a Kansas Representative has gone to the Kansas Attorney General asking if the Kansas Corporate Farming Law is similar to the Nebraska and South

Dakota rulings. The Attorney General has been researching this question for several weeks. So far no opinion has been issued.

CAGE-FREE PROMISE

On April 25, 2012, Burger King (with 7,200 restaurants nationwide) announced that all of its eggs and pork will come from cage-free chickens and pigs by 2017. Today 9% of the company's eggs and 29% of its pork are cage-free. Conventionally raised eggs come from hens confined in battery cages that give them roughly the same footprint as an 8½ by 11 sheet of paper. 90% of the nation's 280 million laying hens are confined. Most pork comes from sows that are confined during their four-month pregnancies in narrow crates unable to turn around. In 2008, California's Proposition 2 passed by a landslide banning chicken cages and swine gestation crates by 2015. Wal-Mart and Costco have transitioned their private-label eggs to 100% cage-free. This year, Smithfield Farms – the largest pork producer – and Hormel committed to ending the use of gestation crates by 2017.