

## NEWSLETTERS



### KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | APRIL 22, 2022

April 22, 2022

#### GOVERNOR'S VETO PEN

Since first adjournment, Gov. Laura Kelly has used her veto pen on seven bills and several line items in the budget. None of the bills vetoed had the necessary votes in both chambers (27 votes in the Senate and 84 votes in the House) to override a gubernatorial veto. On Apr. 11, the Governor vetoed SB 493, which prohibited local units of government from taxing or otherwise restricting use of plastic grocery bags and auxiliary containers used to carry pre-cooked food from grocery stores and other retailers. The bill passed the Senate with 26 votes but had only 74 supporters in the House. Gov. Kelly's veto message stressed: "This issue is a local decision, and it should be left to local governments based on what's best for their constituents, stakeholders, and businesses in their community."

The second bill vetoed was SB 161, addressing automated unmanned robotic delivery machines which make door-to-door deliveries on sidewalks and streets. The measure mustered 22 votes in the Senate and 74 votes in the House, making a veto override unlikely. Gov. Kelly cited the need for more study, safety concerns, and needed review by local governments. The third veto was SB 199, addressing short-term insurance plans that typically are issued for less than a year. The bill extends the policy duration up to 3 years. Gov. Kelly noted that the plans do not cover pre-existing conditions nor other consumer protections often found in conventional health insurance plans. The bill had 28 Senate votes, which would allow an override, but the House vote was only 73-49.

On Apr. 15, Gov. Kelly vetoed four high-profile bills addressing the parental bill of rights (SB 58), food stamp restrictions requiring job training/work requirements (HB 2448), continuation of the health liability protections for health providers (SB 286), and the ban on transgender participation in sporting activities (SB 160). These are the bills most likely to see veto override attempts in an election year. HB 2448 had the necessary votes to override in the Senate but only 70 votes in the House.

#### OMNIBUS BUDGET DISCUSSIONS AND APEX UPDATE

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The Consensus Revenue Estimating Group (CREG) met Wednesday to revise the Nov. 10, 2021, State General Fund (SGF) estimates for Fiscal Years 2022 and 2023. The revisions include the estimated impact of all 2022 legislation signed into law thus far and inflation. Consensus revenue estimates are based on current federal and state laws and their current interpretation. The overall estimate for FY 2022 and FY 2023 was increased by a combined \$340.7 million. The estimate for total taxes was increased by \$760.2 million, and other revenues were decreased by \$419.5 million for the two years combined. For FY 2022, the estimate was decreased by \$67.1 million, or 0.8 percent, below the November estimate. The overall CREG estimate for FY 2022 ending June 30, 2022, and FY 2023 was increased by a combined \$340.7 million. The estimate for total taxes was increased by \$760.2 million, and other revenues were decreased by \$419.5 million for the two years combined. For FY 2022, the estimate was decreased by \$67.1 million, or 0.8 percent, below the November estimate. This revision reflects the recently enacted \$500 million transfer from the state general fund (SGF) to the Budget Stabilization Fund, which had not been part of the November forecast. The positive forecast generated renewed calls for the food sales tax on groceries to be repealed on July 1. The Legislature is poised to vote on a gradual phasing out of the food sales tax by 2025 when it returns.

Thursday, the House Appropriations Committee and the Senate Ways and Means Committee met together to hear the latest budget updates and review the latest CREG revenue projections. They also reviewed 20 Governor's Budget Amendments (GBAs) from various state agencies along with the revised caseloads for social service programs. After the briefings, the budget committees met separately to start assembling their omnibus budget bills. Both committees rejected the Governor's Budget Amendment returning \$250 to taxpayers in their preliminary discussions.

When the Legislature reconvenes on Monday, education funding, the omnibus budget, sports gaming, and tax cuts will be among the issues debated along with consideration of veto overrides. There may be other issues re-emerging that either failed or were not fully vetted during the regular session.

Thursday, the Oklahoma Legislature passed a \$700 million mega-economic package to lure Panasonic to the state. The bill is in response to Gov. Kevin Stitt's Monday press conference seeking the incentives to avoid losing the massive economic development project to Kansas. He wanted the bill approved this week. The new plant would make batteries for electric vehicles produced by Tesla.

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Kansas Legislative Insights is a publication developed by the Governmental Affairs & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session, it focuses on issues involving Healthcare, Insurance, public finance, Taxation, financial institutions, business & economic development, Energy, Real Estate & Construction, environmental, Agribusiness, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Affairs & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or [jrankin@foulston.com](mailto:jrankin@foulston.com). Learn more about the authors below:

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