Journal of the House

EIGHTY-EIGHTH DAY

HALL OF THE HOUSE OF REPRESENTATIVES, TOPEKA, KS, Friday, June 26, 2015, 10:00 a.m.

The House met pursuant to SCR 1607 with Speaker Merrick in the chair.

The roll was called with 109 members present.

Reps. Doll, Estes, Francis, Hawkins, Hemsley, Hildabrand, Hineman, Kiegerl, Kuether, Lusker, Proehl, Ryckman, Sr., Schwab, Trimmer, Williams and Wilson were excused on excused absence by the Speaker.

Prayer by Rep. Houston:

Great Is thy faithfulness, O Lord our father.

All we have needed you have provided and we are grateful.

Thank you for allowing us to gather in the House of Representatives once again to finish the work that has been set before us

Thank you for the opportunity to serve the great state of Kansas and the constituents of our districts.

As we move forward today to finish the work that has been set before us, we ask for your blessing upon each of these representatives and for wisdom and guidance, so we will do those things that are pleasing in your sight and beneficial to our state.

This we pray in Christ's name. Amen.

The Pledge of Allegiance was led by Rep. Henry.

MESSAGES FROM THE GOVERNOR

HB 2048, S Sub for HB 2281 approved on June 12, 2015.

Also, HB 2010, S Sub for HB 2094, S Sub for HB 2109, S Sub for HB 2135 approved on June 16, 2015

COMMUNICATIONS FROM STATE OFFICERS

From Alan D. Conroy, Executive Director, Kansas Employees Retirement System (KPERS), Annual Report regarding KPERS investments in Sudan, June 30, 2015.

From Derek Schmidt, Kansas Attorney General, pursuant to K.S.A.50-628, annual report for 2014 of the Consumer Protection & Antitrust Diuvision.

The complete reports are kept on file and open for inspection in the office of the Chief Clerk.

On motion of Rep. Vickrey, the House recessed until 11:00 a.m..

LATE MORNING SESSION

The House met pursuant to recess with Speaker Merrick in the chair.

MESSAGES FROM THE SENATE

The Senate adopts the Conference Committee report on HB 2142.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Vickrey, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, the rules were suspended for the purpose of considering **HB 2142**.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2142** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, by striking lines 6 through 36;

By striking all on pages 2 through 13;

On page 14, by striking lines 1 and 2; following line 2, by inserting:

"Section 1. K.S.A. 2014 Supp. 79-2925b, as amended by section 2 of 2015 House Substitute for Senate Bill No. 270, is hereby amended to read as follows: 79-2925b. (a) Without a majority vote so providing, the governing body of any municipality shall not approve any appropriation or budget, as the case requires, which may be funded by revenue produced from property taxes, and which provides for funding with such revenue in an amount exceeding that of the next preceding year, adjusted to reflect changes in the consumer price index for all urban consumers as published by the United States department of labor for the preceding calendar year. If the total tangible property valuation in any municipality increases from the next preceding year due to increases in the assessed valuation of existing tangible property and such increase exceeds changes in the consumer price index, the governing body shall lower the amount of ad valorem tax to be levied to the amount of ad valorem tax levied in the next preceding year, adjusted to reflect changes in the consumer price index. This subsection shall not apply to ad valorem taxes levied under K.S.A. 76-6b01 and 76-6b04 and section 11 of 2015 House Substitute for Senate Bill No. 7, and amendments thereto, and any other ad valorem tax levy which was previously approved by the voters of such municipality. Except as provided in subsection (g), notwithstanding the requirements of this subsection, nothing herein shall prohibit a municipality from increasing the amount of ad valorem tax to be levied if the municipality approves the increase with a majority

vote of the governing body by the adoption of a resolution and publishes such vote as provided in subsection (c).

- (b) Revenue that, in the current year, is produced and attributable to the taxation of:
- (1) New improvements to real property;
- (2) increased personal property valuation, other than increased valuation of oil and gas leaseholds and mobile homes;
 - (3) property located within added jurisdictional territory; or
- (4) property which has changed in use shall not be considered when determining whether revenue produced from property has increased from the next preceding year.
- (c) In the event the governing body votes to approve any appropriation or budget, as the case requires, which may be funded by revenue produced from property taxes, and which provides for funding with such revenue in an amount exceeding that of the next preceding year as provided in subsection (a), notice of such vote shall be published in the official county newspaper of the county where such municipality is located.
- (d) The provisions of this section shall be applicable to all fiscal and budget years commencing on and after the effective date of this act.
- (e) The provisions of this section shall not apply to revenue received from property tax levied for the sole purpose of repayment of the principal of and interest upon bonded indebtedness, temporary notes and no-fund warrants.
- (f) For purposes of this section, "municipality" means any political subdivision of the state which levies an ad valorem tax on property and includes, but is not limited to, any county, township, municipal university, school district, community college, drainage district or other taxing district. "Municipality" shall not include any such political subdivision or taxing district which receives \$1,000 or less in revenue from property taxes in the current year.
- (g) On and after January 1, 2018: (1) In the case of cities and counties, any resolution by the governing body otherwise required by this section to adopt any appropriation or budget which provides for funding by property tax revenue in an amount exceeding that of the next preceding year as adjusted pursuant to subsection (a) to reflect changes in the consumer price index, shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the city or county voting at an election called and held thereon, except as otherwise provided. The election shall be called and held in the manner provided by K.S.A. 10-120, and amendments thereto, at the next regularly scheduled election to be held in August or November, or may be a mail ballot election, conducted in accordance with K.S.A. 25-431 et seq., and amendments thereto, or may be a special election called by the city or county. Nothing in this subsection shall prevent any city or county from holding more than one election in any year.
- (2) A resolution by the governing body of a city or county otherwise required by the provisions of this section shall not be required to be approved by an election required by subsection (g)(1) under the following circumstances:
- (A) The increase in the amount of ad valorem tax to be levied that is greater than the change in the consumer price index is due to:
- (i) Costs for new infrastructure or improvements to existing infrastructure to support new improvements to property exempt from property taxation pursuant to the provisions of K.S.A. 79-201 et seq., and amendments thereto, such as hospitals, schools and churches, or exempt additions to or improvements to property so exempt from

property taxation;

- (ii) bond and interest payments;
- (iii) an increase in property subject to taxation as the result of the expiration of any abatement of property from property tax;
- (iv) increases in road construction costs when such construction has been once approved by a resolution of the governing body of the city or county;
 - (v) special assessments;
- (vi) judgments levied against the city or county or expenses for legal counsel and for defense of legal actions against the city or county or officers of the city or county;
 - (vii) new expenditures that are specifically mandated by federal or state law; or
 - (viii) an increase in property subject to taxation as the result of new construction;
- (B) the assessed valuation has declined in one or more of the next preceding three calendar years and the increase in the amount of funding for the budget or appropriation from revenue produced from property taxes does not exceed the average amount of funding from such revenue of the next preceding three calendar years, adjusted to reflect changes in the consumer price index for all urban consumers as published by the United States department of labor for the preceding calendar year; or
- (C) the increase in the amount of ad valorem tax to be levied is less than the change in the consumer price index plus the loss of assessed property valuation that has occurred as the result of legislative action, judicial action or a ruling by the board of tax appeals.
- Sec. 2. K.S.A. 2014 Supp. 79-2925b, as amended by section 2 of 2015 House Substitute for Senate Bill No. 270 and 79-2925b, as amended by section 5 of 2015 Senate Substitute for House Bill No. 2109 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all following "concerning"; by striking all in line 2; in line 3, by striking all before the period and inserting "taxation; reconciling amendments to certain statutes; amending K.S.A. 2014 Supp. 79-2925b, as amended by section 2 of 2015 House Substitute for Senate Bill No. 270 and repealing the existing section; also repealing K.S.A. 2014 Supp. 79-2925b, as amended by section 5 of 2015 Senate Substitute for House Bill No. 2109";

And your committee on conference recommends the adoption of this report.

Les Donovan Caryn Tyson Tom Holland Conferees on part of Senate

MARVIN KLEEB
GENE SUELLENTROP
TOM SAWYER
Conferees on part of House

On motion of Rep. Kleeb, the conference committee report on **HB 2142** was adopted. On roll call, the vote was: Yeas 85; Nays 23; Present but not voting: 0; Absent or not voting: 17.

Yeas: Alford, Anthimides, Ballard, Barker, Becker, Billinger, Boldra, Bollier, Bridges, Brunk, Couture-Lovelady, Campbell, Carlin, Carmichael, B. Carpenter, W.

Carpenter, Claeys, Clark, Clayton, Concannon, Corbet, Davis, Dierks, Dove, Edmonds, Esau, Ewy, Finch, Gallagher, Goico, Gonzalez, Grosserode, Hedke, Hibbard, Highberger, Highland, Hill, Hoffman, Houser, Huebert, Hutchins, Hutton, Jennings, Johnson, D. Jones, K. Jones, Kelley, Kelly, Kleeb, Lewis, Lunn, Lusk, Macheers, Mason, Mast, McPherson, Merrick, Moxley, Osterman, Ousley, Patton, Pauls, Phillips, Powell, Read, Rhoades, Rooker, Rubin, Ryckman, Sawyer, Schroeder, Schwartz, Seiwert, Sloan, Smith, Suellentrop, Swanson, Thimesch, Thompson, Tietze, Todd, Vickrey, Waymaster, Whitmer, Wolfe Moore.

Nays: Alcala, Barton, Bradford, Bruchman, Burroughs, Curtis, DeGraaf, Finney, Frownfelter, Garber, Henderson, Henry, Houston, Kahrs, Lane, O'Brien, Peck, Ruiz, Sutton, Victors, Ward, Whipple, Winn.

Present but not voting: None.

Absent or not voting: Doll, Estes, Francis, Hawkins, Hemsley, Hildabrand, Hineman, Kiegerl, Kuether, Lusker, Proehl, Ryckman Sr., Scapa, Schwab, Trimmer, Williams, Wilson

EXPLANATIONS OF VOTE

Mr. Speaker: I vote yes on **HB 2142** in order to make a technical fix which clarifies legislative intent. This vote should not be misconstrued as support for the underlying bill, but as a vote to protect cities and counties from an undue burden created by a rushed legislative process. – Kathy Wolfe Moore, Dennis "Boog" Highberger, Barbara W. Ballard, Tom Sawyer, Nancy Lusk, Carolyn Bridges, Annie Tietze, John Carmichael, Sydney Carlin

Mr. Speaker: I vote no on **HB 2142**.I oppose the property tax lid in principle, whether it goes into effect next week or in three years. State government should not dictate to local governments how to balance their budgets. City and county governments are closest to their constituents and are best able to gauge the needs of their community. State intrusion into local government is not only unwarranted, but disrespectful to local leaders. — Louis Ruiz, John Alcala, Pam Curtis

REPORT ON ENROLLED BILLS

HB 2010, S Sub for HB 2094, S Sub for HB 2109, S Sub for HB 2135 reported correctly enrolled, properly signed and presented to the Governor on June 16, 2015.

The hour for final adjournment having arrived, Speaker Merrick said, "By virtue of the authority vested in me, as Speaker of the House of Representatives of the 2015 session, I do now declare the House adjourned sine die."

SUSAN W. KANNARR, Chief Clerk.	CHARLENE SWANSON, Journal Clerk.

MESSAGE FROM THE SENATE

Announcing the Senate herewith transmits the veto message from the Governor on **House Substitute for SB 112**.

An Act making and concerning appropriations for fiscal years ending June 30, 2015, June 30, 2016, June 30, 2017, June 30, 2018, and June 30, 2019, for state agencies; authorizing and directing payment of certain claims against the state; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2014 Supp. 2-223, 12-5256, 55-193, as amended by section 2 of 2015 House Bill No. 2231, 68-2320, 74-50,107, as amended by section 57 of 2015 Senate Bill No. 4, 74-8963, 74-99b34, 75-6702, 76-775, 76-783, 76-7,107, 79-2959, 79-2964, 79-3425i, 79-34,156, 79-34,171, 79-4804 and 82a-953a and repealing the existing sections; also repealing K.S.A. 2014 Supp. 74-99b34a.

Which was received on June 16, 2015 and was read before the Senate on June 26, 2015.

Message to the Legislature of the State of Kansas:

I want to thank every member of the Kansas Legislature for their hard work during the 2015 Session. I greatly appreciate their efforts to control spending by addressing our three expenditure drivers: education, Medicaid, and KPERS.

This two-year budget will continue to fund the core services of state government to July 1, 2017. I will work to find efficiencies to limit the size of state government while protecting core services vital to the citizens of Kansas.

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Substitute for Senate Bill No. 112 with my signature approving the bill, except for the items enumerated below.

Kansas Board of Regents

SGF Transfer to Postsecondary Education Performance – Based Incentives Fund

The Board of Regents offered as a line-item veto – and I have vetoed – approximately \$1.9 million in unspent funding in both FY 16 and 17 from a post-secondary education performance-based incentives fund.

Sections 142(f) and 143(f) are vetoed in their entirety.

This new program grants funds to postsecondary institutions for the GED Accelerator for students who wish to complete their GED and receive an educational accreditation. The FY 2015 transfer of \$1.9 million from the State General Fund will finance the program for several years. Therefore, the transfer can be suspended in FY 2016 and FY 2017 to preserve State General Fund resources.

Sam Brownback Governor

Dated: June 16, 2015

There being no action on House Substitute for SB 112, the line item vetoes were sustained

REPORT ON ENGROSSED BILLS

HB 2142 reported correctly engrossed on June 26, 2015.

REPORT ON ENROLLED BILLS

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m HB~2142}$ reported correctly enrolled, properly signed and presented to the Governor on June 29, 2015.

MESSAGES FROM THE GOVERNOR

HB 2142 approved on June 30, 2015.