



# LEGISLATIVE REPORT

KEDA

JANUARY 21, 2022

## OVERVIEW

The second week of the 2022 Legislative Session is in the books. Legislators returned on Tuesday after the federal holiday for a short but busy four days. Committees continue to meet and introduce new legislation while several bills saw their first hearings. In addition, the House and Senate worked together to quickly pass a bill that extends the ability for certain healthcare professionals to assist during the pandemic, as well as to provide relief for fencing destroyed by wildfires.

Competing ideas are beginning to surface on state food sales tax proposals. The Governor's proposal (SB 342 and HB 2487) for elimination defines 'food' as unprepared food, plus bottled water, candy, and food in vending machines. Other proposals are being drafted that may be more aggressive in food-related exemptions. The next week promises more committee action with hearings scheduled and review of bills in committee.

## Redistricting

The Senate Redistricting Committee met this week and passed out a Congressional map that would divide Douglas county into the first and second districts; divide Wyandotte county into the first and second districts; divide Pawnee county into the first and fourth districts and adds Franklin and Anderson to Johnson and all of Miami counties to the third. The map passed by a vote of 26-9 in the Senate. The House will be working on their Congressional map next week. The House and Senate District maps have not been produced and will be worked on after the passage of the Congressional map.

## Economic Development

Two bills, one in the House and the Senate, were introduced this week. SB347 was heard in the Senate Commerce Committee on Wednesday. The bill, requested by the Commerce Department, was developed to provide additional state incentives for potential large economic development projects. The bill, known as APEX, would provide for tax and other incentives for projects in specified industries, or for national corporate headquarters with capital investment requirements of at least \$1,000,000,000. This would include a refundable tax credit for a portion of the investment, reimbursement of certain payroll costs and training costs, retention of certain payroll withholding taxes, a sales tax exemption for project construction and a property tax incentive for projects located in a foreign trade zone. The Commerce Committee members had a great deal of questions and have not acted on the bill. It is expected that at the end of the day, the legislature will provide additional incentives to procure a large project. The bill was supported by the economic development community.

## **Sales Tax on Food**

The House Taxation Committee will hear two bills on reducing the state sales tax on food to 0% from 6.5%. Both bills allow the local entities to continue to assess a sales tax on food. The two bills differ on the definitions of food and food ingredients. The Governor's bill does not exempt some prepared foods, while Republican's bill includes all foods, including prepared foods. The Governor's bill will increase the percentage of the remaining sales tax that goes to the highway fund, to make up for the loss in revenue in sales tax on food. The bills will be heard on Tuesday, January 25 at 3:30pm in House Taxation.

## **Medicaid Expansion**

The Governor's budget includes expanding Medicaid to full adult expansion population, beginning January 1, 2023. According to the Governor's budget, Kansas would save \$68.5 million by expanding Medicaid as ARPA provides for 5% increase in FMAP on base population for new expansion. And the cost to operate expansion after eight quarters is \$40 million. The budget notes that Kansas is 1 of 12 states not yet to expand Medicaid. No action.

## **Medical Marijuana**

The House passed medical marijuana in 2021 and sent it to the Senate. There was an overview of the bill in the Senate Federal and State Affairs Committee. No additional hearings are set for this topic.

## **Next Week**

Below is a link to the calendars for next week:

[http://www.kslegislature.org/li/b2021\\_22/chamber/calendars/](http://www.kslegislature.org/li/b2021_22/chamber/calendars/)

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