MAY 29, 2019

# Journal of the House

# FIFTY-NINTH DAY

Hall of the House of Representatives, Торека, KS, Wednesday, May 29, 2019, 10:00 a.m.

The House met pursuant to adjournment with Speaker Ryckman in the chair.

The roll was called with 116 members present. Reps. Claeys, Frownfelter, Henderson, Jennings, Kuether, Lusk, Ohaebosim, Pittman and Winn were excused on excused absence by the Speaker. Present later: Rep. Pittman.

Excused later: Rep. Carmichael.

Prayer by Chaplain Brubaker,

Almighty and gracious God, We thank you for this day You have provided us. This past weekend we took the time to remember those who have sacrificed their lives so we can enjoy the freedoms we have. One of those freedoms we exercise is that of voting for individuals to be a member of this body to come together to discuss and pass legislation that enable us to better enjoy and live with our freedoms. This past session, we have seen the freedom of speech, of sharing ideas and opinions, of voting, and of representing the people of this great state. These leaders have not taken these freedoms lightly. For all that has been accomplished the past few months, we thank You for Your wisdom and guidance. Not everyone is happy with every decision, but with the ending of this session, may everyone be happy and content in knowing they did their best. they worked their hardest, and together, they worked together to follow Your leading. We thank You for this. Please be with all those affected by the tornadoes and flooding. Bring quick relief and recovery, and, Lord, we could really use some dry sunshine, please. In Christ's Name I pray, Amen.

The Pledge of Allegiance was led by Rep. Dierks.

On motion of Rep. Hawkins, the House recessed until 11:15 a.m.

# LATE MORNING SESSION

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

## INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following House Concurrent Resolution was introduced and read by title:

## HOUSE CONCURRENT RESOLUTION No. HCR 5015-

#### By Representative Ryckman

**HCR 5015**—A CONCURRENT RESOLUTION ratifying the May 9, 2019, State of Disaster Emergency declaration issued by Governor Laura Kelly and providing for the continuation thereof for certain Kansas counties until January 13, 2020.

WHEREAS, On May 9, 2019, Governor Laura Kelly issued a State of Disaster Emergency declaration in response to severe storms and flooding in the counties of Barber, Chase, Clark, Cowley, Geary, Greenwood, Harvey, Marion, Meade, Neosho, Osage, Ottawa, Reno, Rice and Sumner, and has since amended the declaration to include a total of 56 counties: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That the State of Disaster Emergency declaration issued on May 9, 2019, as amended, for the counties of Allen, Anderson, Barber, Barton, Butler, Chase, Chautauqua, Cherokee, Clark, Clay, Cloud, Coffey, Comanche, Cowley, Crawford, Dickinson, Doniphan, Douglas, Elk, Ellsworth, Franklin, Geary, Greenwood, Harper, Harvey, Hodgeman, Jefferson, Kingman, Leavenworth, Lincoln, Linn, Lyon, Marion, Marshall, McPherson, Meade, Montgomery, Morris, Neosho, Osage, Ottawa, Pawnee, Phillips, Pottawatomie, Pratt, Reno, Rice, Riley, Rush, Russell, Saline, Sumner, Wabaunsee, Washington, Wilson, Woodson, and any other county designated by the Governor in accordance with K.S.A. 48-924, and amendments thereto, by amendment to the May 9, 2019, through January 13, 2020, subject to extension by the State Finance Council in accordance with K.S.A. 48-924(b)(3), and amendments thereto.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

Speaker Ryckman referred HCR 5015 to Committee of the Whole.

## MESSAGE FROM THE GOVERNOR

May 2, 2019

Message to the Kansas House of Representatives of the State of Kansas:

Enclosed is Executive Directive No. 19-501 for your information. **EXECUTIVE DIRECTIVE NO. 19-501** Authorizing the Establishment of a Federal Fund

> Laura Kelly Governor

The above Executive Order is on file and open for inspection in the office of the Chief Clerk.

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#### **MESSAGES FROM THE GOVERNOR**

#### HB 2223 approved on May 13, 2019. HB 2140, HB 2203, HB 2248, HB 2290 approved on May 16, 2019.

The following message with the Governor's objection to **HB 2033**, AN ACT concerning taxation; relating to sales and compensating use tax, countywide retailers' sales tax, rates, election, Finney county, director of taxation, imposition of tax, nexus, remote sellers, marketplace facilitators, rate on food and food ingredients; income taxation, addition and subtraction modifications, treatment of deferred foreign income, global intangible low-taxed income, capital contributions, FDIC premiums, deductions, expanding the expense deduction to all taxpayers, net operating loss carryforward period for corporations; amending K.S.A. 2018 Supp. 12-187, 12-189, 79-32,117, 79-32,120, 79-32,138, 79-32,143, 79-32,143, 79-3602, 79-3603, 79-3620, 79-3702, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 2018 Supp. 79-32210. was received and read.

## MESSAGE FROM THE GOVERNOR REGARDING VETO OF HOUSE BILL 2033

I have a long record of supporting responsible, commonsense tax policy. Unfortunately, that is not what House Bill 2033 represents. It will decimate the state's ability to pay our bills and invest in our people. Just as Kansas begins to stabilize after years of senseless fiscal crisis, House Bill 2033 will create a \$1 billion deficit within three years.

As Governor, one of my top priorities is to lower our state's unacceptably high tax on food. We must first provide relief for those who need it most and then ultimately for all Kansans. We need stability so our tax code can offer certainty to businesses and families. This all must go hand-in-hand with rebuilding our state's rainy-day fund, so we can weather economic downturns without putting our schools and children at risk. Kansas is also long overdue for a thorough, nonpartisan study of how we can ensure our tax code is fair and truly incentivizes economic growth – in urban and rural communities alike. Our state has not conducted such a study since 1995.

Kansans deserve a plan. Successful tax reform must be shaped by a thoughtful, bigpicture vision – not by a rushed attempt to achieve an immediate political victory. To that end, my administration recently began outlining a plan to help build this vision, which I look forward to sharing in the weeks to come.

Pro-business, pro-growth, pro-family tax policy can absolutely reshape Kansas for the better, but only if it fixes the failures of the past, not repeats them. I was elected to rebuild our state; House Bill 2033 is not the way to do it.

Therefore, under Article 2, Section 14(a) of the Kansas Constitution, I hereby veto House Bill 2033.

Dated: May 17, 2019

LAURA KELLY Governor of Kansas

### INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. Hawkins, pursuant to House Rule 2311, **HCR 5015** was advanced to Final Action on Bills and Concurrent Resolutions.

#### FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

**HCR 5015**, A CONCURRENT RESOLUTION ratifying the May 9, 2019, State of Disaster Emergency declaration issued by Governor Laura Kelly and providing for the continuation thereof for certain Kansas counties until January 13, 2020, was considered on final action.

On roll call, the vote was: Yeas 116; Nays 0; Present but not voting: 0; Absent or not voting: 9.

Yeas: Alcala, Amyx, Arnberger, Awerkamp, Baker, Ballard, Barker, Benson, Bergquist, Bishop, Blex, Burris, Burroughs, Capps, Carlin, Carlson, Carmichael, Carpenter, B., Carpenter, W., Clark, Clayton, Collins, Concannon, Corbet, Cox, Croft, Curtis, Delperdang, Dierks, Dietrich, Donohoe, Dove, Ellis, Eplee, Erickson, Esau, Finch, Finney, Francis, French, Garber, Gartner, Hawkins, Helgerson, Helmer, Hibbard, Highberger, Highland, Hineman, Hodge, Hoffman, Hoheisel, Holscher, Horn, Houser, Howard, Huebert, Humphries, Jacobs, Johnson, Karleskint, Kelly, Kessinger, Landwehr, Long, Lynn, Mason, Mastroni, Moore, Murnan, Neighbor, Orr, Ousley, Owens, Pannbacker, Parker, Patton, Phillips, Probst, Proehl, Rahjes, Ralph, Resman, Rhiley, Ruiz, L., Ruiz, S., Ryckman, Samsel, Sawyer, Schreiber, Seiwert, Smith, A., Smith, E., Stogsdill, Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Toplikar, Vickrey, Victors, Waggoner, Ward, Warfield, Warren, Wasinger, Waymaster, Weigel, Wheeler, Whipple, Williams, Wolfe Moore, Woodard, Xu.

Nays: None.

Present but not voting: none.

Absent or not voting: Claeys, Frownfelter, Henderson, Jennings, Kuether, Lusk, Ohaebosim, Pittman, Winn.

The resolution was adopted.

## **CONSIDERATION OF VETO**

On motion of Rep. Rep. Johnson the House proceeded to reconsider **HB 2033** AN ACT concerning taxation; relating to sales and compensating use tax, countywide retailers' sales tax, rates, election, Finney county, director of taxation, imposition of tax, nexus, remote sellers, marketplace facilitators, rate on food and food ingredients; income taxation, addition and subtraction modifications, treatment of deferred foreign income, global intangible low-taxed income, capital contributions, FDIC premiums, deductions, expanding the expense deduction to all taxpayers, net operating loss carryforward period for corporations; amending K.S.A. 2018 Supp. 12-187, 12-189, 79-32,117, 79-32,120, 79-32,138, 79-32,143, 79-32,143a, 79-3602, 79-3603, 79-3620, 79-3702, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 2018 Supp. 79-32210.

The Governor's objection to **HB 2033** having been read (HJ Page 1917) question being shall the bill be passed not withstanding the Governor's veto?

Call of the House was demanded.

On roll call, the vote was: Yeas 78; Nays 39; Present but not voting: 0; Absent or not voting: 8.

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## May 29, 2019

Yeas: Arnberger, Awerkamp, Baker, Barker, Bergquist, Blex, Burris, Capps, Carlson, Carpenter, B., Carpenter, W., Clark, Collins, Concannon, Corbet, Cox, Croft, Delperdang, Dietrich, Donohoe, Dove, Ellis, Eplee, Erickson, Esau, Finch, Francis, French, Garber, Hawkins, Helmer, Highland, Hineman, Hodge, Hoffman, Hoheisel, Houser, Howard, Huebert, Humphries, Jacobs, Johnson, Karleskint, Kelly, Kessinger, Landwehr, Long, Lynn, Mason, Mastroni, Moore, Orr, Owens, Patton, Pittman, Proehl, Rahjes, Ralph, Resman, Rhiley, Ryckman, Schreiber, Seiwert, Smith, A., Smith, E., Straub, Sutton, Tarwater, Thimesch, Thomas, Toplikar, Vickrey, Waggoner, Warren, Wasinger, Waymaster, Wheeler, Williams.

Nays: Alcala, Amyx, Ballard, Benson, Bishop, Burroughs, Carlin, Carmichael, Clayton, Curtis, Dierks, Finney, Gartner, Helgerson, Hibbard, Highberger, Holscher, Horn, Murnan, Neighbor, Ousley, Pannbacker, Parker, Phillips, Probst, Ruiz, L., Ruiz, S., Samsel, Sawyer, Stogsdill, Thompson, Victors, Ward, Warfield, Weigel, Whipple, Wolfe Moore, Woodard, Xu.

Present but not voting: none.

Absent or not voting: Claeys, Frownfelter, Henderson, Jennings, Kuether, Lusk, Ohaebosim, Winn.

A two-thirds majority of the members elected to the House not having voted in favor of the bill over the Governor's veto, the motion did not prevail, the bill did not pass, and the veto was sustained.

## EXPLANATIONS OF VOTE

MR. SPEAKER: I vote yes on **HB 2033**. I helped rid Kansas of Brownback's tax experiment, reinstating things like mortgage deductions. This bill provides targeted fair tax options for our working families. It reduced slightly our high food tax and provides new revenue from ever growing internet sales, helping Kansas Retailers compete.

Federal laws broadened foreign income taxable base, to dissuade corporate off shoring. This GILTI bucket negatively affects low asset firms, like tech firms. Kansas needs to attract these businesses and harmonize this GILTI provision with neighbor states. Foreign markets continue to be high opportunity, high growth areas. This bill helps us in economic development. – JEFF PITTMAN

Mr SPEAKER: I respectfully vote "no" on reconsideration of House Bill 2033.

Today I stand with the good, hard-working people of House District 5 in voting "no." We NEED a comprehensive PLAN. A financial plan for our future: education, mental health, and critical government services, like law enforcement, transportation, and courts. This includes living wages for our State employees.

I stand with our *veterans, senior citizens, families,* and *the working poor* struggling to pay daily expenses. <u>WE need PROPERTY tax relief</u>. And sales tax on food. House District 5 has made that clear. **HB 2033** fails these priorities.

Initially I voted "PRESENT." Leadership's "call of the House" forces me to vote "NO." – MARK SAMSEL

## MESSAGE FROM THE SENATE

The Senate adopts the Conference Committee report on **SB 28**. The Senate adopts the Conference Committee report on **SB 53**. Announcing adoption of **HCR 5014**.

#### MESSAGE FROM THE SENATE

Announcing the Senate herewith transmits the veto message from the Governor on **H Sub SB 25**: AN ACT making and concerning appropriations for fiscal years ending June 30, 2019, June 30, 2020, June 30, 2021, and June 30, 2022, for state agencies; authorizing and directing payment of certain claims against the state; authorizing certain transfers, capital improvement projects, assessments 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. 74-50,107 and 74-99b34 and K.S.A. 2018 Supp. 2-223, 12-1775a, 12-5256, 55-193, 75-2263, 75-4209, 75-6702, 75-6707, 76-775, 76-7,107, 79-2959, 79-2964, 79-3425i, 79-34,171, 79-4804 and 82a-953a and repealing the existing sections.

## MESSAGE FROM THE GOVERNOR REGARDING HOUSE SUBSTITUTE FOR SENATE BILL 25

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return **H Sub for SB 25** with my signature approving the bill, except for the items enumerated below. The net effect of these line-item vetoes will increase the FY19 ending balance to \$871 million, or 12.2 percent, and increase the FY20 ending balance to \$606 million, or 7.8 percent.

#### **Board of Pharmacy**

Section 27(a) and (b), transferring \$705,000 from the Medical Programs Fee Fund for K-TRACS in FY20, have been line-item vetoed.

While I am a strong proponent of the K-TRACS program, my original budget recommendation did not include SGF funding for this program because it is inconsistent with the structure of fee-funded agencies. Sweeps from the Medical Programs Fee Fund must be backfilled by the State General Fund, making this transfer to K-TRACS an SGF appropriation. The Board of Pharmacy indicated that it will likely receive a federal grant to cover the cost of this line item. In the event that this grant is not awarded, I have instructed my administration to keep lines of communication open with the Board of Pharmacy in its effort to identify alternative, non-SGF sources for K-TRACS.

#### KPERS

Section 56(e), requiring an additional \$51 million transfer from the State General Fund to KPERS in FY20, has been line-item vetoed.

The very first piece of legislation I signed into law repaid an extra \$115 million in debt incurred to the Kansas Public Employees Retirement System. This extra payment fixed past mistakes, when emergency steps were taken to pay for failed tax policy. However, given the large number of critical, unmet needs still facing state government, it is not prudent to add another additional KPERS payment that goes beyond the regularly scheduled payments already being made. In fact, this could actually harm the state's ability to make full, timely KPERS payments in the very near future. This line-item veto provides an essential cushion to the state ending balance so that Kansas can continue to pay its bills and rebuild the state more sustainably.

#### **Department of Aging and Disability Services**

Section 84(a), \$1,885,000 for community mental health centers supplemental funding & community aid, as well as \$38,646 for the Client Assessment Referral and Evaluation

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(CARE) program, both in FY19, has been line-item vetoed.

I am pleased to support \$5 million in additional funding for CMHC grants in FY20. In an effort to more evenly distribute reinvestment in Kansas government, I do not believe it is responsible to further increase CMHC funding for the remaining portion of FY19. This veto does <u>not</u> eliminate \$196,304 included to expand the Clubhouse Model and Breakthrough House in FY19.

#### **Department of Education**

Section 90(a), \$1,200,000 for evidenced-based or research-based reading programs, \$80,000 for Technical Education incentives, and \$261,000 for Teach for America, all in FY20, have been line-item vetoed.

Increasing funding to Kansas public schools was my top budget priority and proudest accomplishment as governor in 2019. However, in a continued effort to establish fair expectations of accountability and efficiency throughout state government, I felt it inappropriate to earmark education funds through the Kansas Department of Education. I encourage local districts to use their new State Foundation Aid to participate in these programs as they deem appropriate.

In total, these line item vetoes will increase the State General Fund balance by \$54.4 million between FY19 and FY20. The new ending balance also complies with the statutory requirement to leave 7.5% of the State General Fund in reserve.

THE GOVERNOR'S OFFICE BY THE GOVERNOR:

#### LAURA KELLY, GOVERNOR

Dated: May 20, 2019

A motion was made that the vetoed line-items contained in **H Sub SB 25** be passed notwithstanding the Governor's veto. By a vote of 27 Yeas and 11 Nays, the motion having received the required two-thirds constitutional majority of those members elected or appointed to the Senate all line-item vetoes contained in **H Sub SB 25** were passed.

## **CONSIDERATION OF VETO**

On motion of Rep. Rep. Waymaster the House proceeded to reconsider line item vetoes on **H Sub for SB 25** AN ACT making and concerning appropriations for fiscal years ending June 30, 2019, June 30, 2020, June 30, 2021, and June 30, 2022, for state agencies; authorizing and directing payment of certain claims against the state; authorizing certain transfers, capital improvement projects, assessments 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. 74-50,107 and 74-99b34 and K.S.A. 2018 Supp. 2-223, 12-1775a, 12-5256, 55-193, 75-2263, 75-4209, 75-6702, 75-6707, 76-775, 76-7,107, 79-2959, 79-2964, 79-3425i, 79-34,171, 79-4804 and 82a-953a and repealing the existing sections.

The Governor's objection of the line items which are as follows: 27(a) and (b); Sec. 56(e); Sec. 84(a); Sec. 90(a) the question being shall the line items be passed not withstanding the Governor's veto?

On roll call, the vote was: Yeas 86; Nays 30; Present but not voting: 0; Absent or not voting: 9.

Yeas: Alcala, Arnberger, Awerkamp, Baker, Barker, Bergquist, Blex, Burris, Capps, Carlson, Carpenter, B., Carpenter, W., Clark, Collins, Concannon, Corbet, Cox, Croft, Delperdang, Dierks, Dietrich, Donohoe, Dove, Ellis, Eplee, Erickson, Esau, Finch, Francis, French, Garber, Hawkins, Helmer, Hibbard, Highland, Hineman, Hodge, Hoffman, Hoheisel, Houser, Howard, Huebert, Humphries, Jacobs, Johnson, Karleskint, Kelly, Kessinger, Landwehr, Long, Lynn, Mason, Mastroni, Moore, Orr, Owens, Pannbacker, Patton, Phillips, Pittman, Proehl, Rahjes, Ralph, Resman, Rhiley, Ryckman, Samsel, Schreiber, Seiwert, Smith, A., Smith, E., Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Toplikar, Vickrey, Waggoner, Warren, Wasinger, Waymaster, Wheeler, Whipple, Williams.

Nays: Amyx, Ballard, Benson, Bishop, Burroughs, Carlin, Clayton, Curtis, Finney, Gartner, Helgerson, Highberger, Holscher, Horn, Murnan, Neighbor, Ousley, Parker, Probst, Ruiz, L., Ruiz, S., Sawyer, Stogsdill, Victors, Ward, Warfield, Weigel, Wolfe Moore, Woodard, Xu.

Present but not voting: none.

Absent or not voting: Carmichael, Claeys, Frownfelter, Henderson, Jennings, Kuether, Lusk, Ohaebosim, Winn.

A two-thirds majority of the members elected to the House having voted in favor of the line items over the Governor's veto, the motion did prevail and the line items did pass.

#### MESSAGES FROM THE SENATE

Announcing adoption of HCR 5015.

#### **REPORT ON ENGROSSED BILLS**

HB 2140, HB 2248 reported correctly engrossed on May 6, 2019. HB 2033, HB 2203, HB 2290 reported correctly re-engrossed on May 6, 2019.

# **REPORT ON ENROLLED BILLS**

HB 2033, HB 2140, HB 2203, HB 2248, HB 2290 reported correctly enrolled, properly signed and presented to the Governor on May 10, 2019.

# **REPORT ON ENROLLED RESOLUTIONS**

HCR 5014 reported correctly enrolled and properly signed on May 10, 2019.

The hour for final adjournment having arrived, Speaker Ryckman announced, "By virtue of the authority vested in me, as Speaker of the House of Representatives of the 2019 session, I do now declare the House adjourned sine die."

## **REPORT ON ENROLLED RESOLUTIONS**

HCR 5015 reported correctly enrolled and properly signed on May 30, 2019 2019.

JENNY HAUGH, JULIA WERNER, Journal Clerks. SUSAN W. KANNARR, Chief Clerk.