

TURNAROUND MARKS HALFWAY POINT OF SESSION

This Saturday was “turnaround” for the 2007 legislative session. Turnaround is the deadline for most bills to clear their house of origin to stay alive in the current session. Certain measures, such as budget and tax bills, are exempt from the turnaround deadline, but lawmakers have been working furiously to push through other measures. This year, we were able to finish on Friday so that we didn’t have to work Saturday.

FISCAL RESPONSIBILITY KEY AFTER MID-SESSION BREAK

We have officially begun the second half of the 2007 Legislative Session! As lawmakers, we have a unique opportunity to make the daily lives of the average Kansan better. We can help small businesses provide adequate health care to their employees, increase the minimum wage so that workers can earn a decent living and provide for their families, help the most financially vulnerable Kansans stay in their homes, grow the economy and create jobs..

While we have made tremendous strides, I am concerned that many members of the legislative body have chosen to support large tax breaks to the biggest, most profitable corporations, at the expense of small businesses and homeowners.

Although our current financial forecast looks bright, we must be economically responsible and prepare for the hard times ahead. We learned this lesson the hard way not too long ago.

In the late 1990s, numerous tax cuts were made after a short economic boom. When the boom subsided a few years later, the state was left in financial trouble. When Governor Kathleen Sebelius took office in 2002, Kansas was, for all practical purposes, bankrupt. It’s taken nearly five years for the state to recover from this miscalculation.

While tax cuts can be appealing, lawmakers must pay down debt and be diligent about cutting taxes. Fiscal responsibility is very much a balancing act. I hope that we can accomplish many of our goals in the remainder of the session without forgetting our future responsibilities.

ELIMINATION OF “WAITING WEEK”

There *is* good news on the horizon for Kansas workers and businesses. A proposal has been introduced to reduce unemployment taxes and eliminate the waiting week unemployed workers currently have to wait before receiving benefits. The measure will help employers by lowering overhead on unemployment taxes and will also help unemployed workers, who are in the most need of financial help.

Unemployed workers are currently eligible for 26 weeks of benefits. The measure would not increase or decrease these benefits, simply it would eliminate the 7-day waiting period workers have before receiving their first check. If a worker finds a new job before the 26th week, benefits are stopped.

The Senate debated a similar proposal last week, but it was rejected. Now that the House has passed its own version, the proposal will be returned to the Senate for further review. Senators could negotiate with the House, but Senate Minority Leader Anthony Hensley, of Topeka, said he hopes the chamber will vote to accept the House's version, sending the measure to Governor Kathleen Sebelius.

Presidential Primary

With growing agreement among legislators that Kansas ought to hold a presidential primary in early February 2008, a bill aimed at making it possible won first-round approval. Wednesday in the Senate and the House appropriations committee voted Thursday to recommend \$2Million in expenditures in the Secretary of State's Budget. Legislators agreed that in order for Kansas to be a player in the presidential primary game the election should be held as early as possible.

Kansas House Defeats State Minimum Wage Increase

The House rejected an attempt to increase the state minimum wage, which at \$2.65 per hour is the lowest in the nation. There were 56 votes to increase the state minimum wage to the same level as the federal minimum wage of \$5.15 per hour. But there were 63 votes, all Republicans, against it.

During debate on the floor legislators pointed out that a number of proposals have been introduced this session that would have helped businesses pay their workers reasonable wages. These proposals have been largely ignored. Since 1995 the legislature has approved 67 tax cuts for businesses compared with only 16 tax cuts for individual taxpayers. It is time that the legislature takes seriously the needs of hardworking Kansans. We know that \$2.65 per hour is not enough for any Kansan to live and raise their family and believe that workers should be paid fairly for the work they do.

President George W. Bush said on Wednesday that he would support a federal minimum wage increase coupled with tax relief for small businesses. "I believe we should do it in a way that does not punish the millions of small businesses that are creating most of the new jobs in our country," he said at a news conference. "So, I support pairing an increased minimum wage with targeted tax and regulatory relief to help these small businesses stay competitive and to help keep our economy growing." An increased federal minimum wage would set the stage for state legislatures to also increase wages for workers. Kansas' refusal to increase the minimum wage will put our state even farther behind the curve.

HPV Bill Efforts End in Kansas

A bill submitted that would require girls 12 years of age and older to be vaccinated against sexually transmitted disease has failed to make its way to the full legislature this year. The vaccine has been approved because it is said to prevent cervical cancer. However, the requirement for all girls to be vaccinated was especially problematic.

Official Language Bill Advances

A bill making English the official language of Kansas was amended on the House Floor to include \$500,000 to help fund English classes for adult immigrants. Melinda Lewis, an immigrant advocate, opposed the original "official language" bill, but said the inclusion of funds to help people learn English would make the legislation better.

Under the bill state agencies and local governments will no longer be required to provide documentation in a language other than English. Cities and counties will be allowed, however, to continue providing services in non-English languages, such as in court proceedings, in promotion of international commerce, in classes for non-English speakers and in situations where a foreign language may be needed to maintain public health and safety. The bill also allows the use of Braille and sign language in communications with persons having a disability.

NEW SECRETARY OF COMMERCE

Governor Kathleen Sebelius announced that she has named AT&T Kansas President David Kerr as Secretary of Commerce to succeed Howard Fricke, who retired in December. He is the current president of the Kansas Chamber of Commerce and a familiar face around the capitol. He still must be confirmed by the Senate.

EMMINENT DOMAIN BLIGHT HEARING

The Senate Judiciary Committee had its first hearing on a definition of blight for purposes of using eminent domain by cities to seize property from one private owner to sell to another private party.

Cities see the possibility of condemning property due to blight as a key to both cleaning up neighborhoods and assembling property for redevelopment. Many people object to the seizure of property through eminent domain as a violation of property rights

BILL ON OBSCENITY SENT BACK TO COMMITTEE

The House sidestepped a vote on a bill that would remove protection for K-12 public and private school teachers when someone accuses them of using obscene materials in the classroom. HB2200 came out of the House Federal & State Affairs Committee and was debated on the floor on Wednesday.

Bill Otto, R-LeRoy proposed to amend the bill. Rep. Otto wrote his amendment himself – on the fly, instead of having an amendment drafted by a reviser. He meant, some think, to extend the bill to higher education institutions, so that professors also would lose their statutory protection. What his amendment actually did was UNDO the changes made by the bill sponsor, Lance Kinzer, an Olathe Republican and attorney. Otto’s amendment was passed by a comfortable margin. Kinzer then tried to re-refer the bill to the Federal and State Affairs Committee. That also failed by a large margin. Mike Peterson, D-Kansas City, then moved to send the bill to the House Education Committee, which passed handily. The net result is a death knell for HB2200.

The bill would have allowed local prosecutors to seek criminal charges against teachers if someone believed that the teacher allowed material that “appeals to the prurient interest” into the classroom. Right now, state obscenity law gives teachers protection as long as they are selecting and using texts and course materials that are approved by the local board of education. That exemption is meant to protect teachers of classes like health, art and literature who use material containing foul language or references to sexuality.

The education committee voted not to have hearings on HB2200.

FEBRUARY REVENUE UP \$21Million

Kansas February tax-only revenues were \$21.5 million above estimates, putting the state \$83.2 million above the numbers on which Gov Sebelius based her 2008 budget. The February increase is largely a result of individual income tax payments, which were 28.4% above estimates at \$64.2 million, while only \$50million had been estimated.

Corporate income tax was up \$4.6 million and sales and use taxes were nearly \$8million above estimates for the month.

Cigarette taxes were \$6.8 million, which was \$2.6 million below the \$9.6 million February estimate.

CUTTING MORE TAXES

The Kansas Legislature has been in talks this session to cut the corporate income tax, but so far there is no agreement on just how much should be cut. Right now, two bills that would reduce the corporate income tax rate are waiting for approval in the House Taxation Committee.

Wichita Metro Chamber of Commerce Vice President Bernie Koch testified this week that cutting the corporate income tax would help attract new businesses to the state. He said many large corporations are already looking in the Midwest, where the price of land is cheaper, for locations to build spin-off companies.

In Kansas, corporations are taxed 4 percent of their annual income, up to \$50,000, to do business in our state. A surcharge of 3.35 percent is added to any income more than \$50,000. HB 2170 and HB 2495 would trim this surtax over three years. Currently, Kansas has a very low corporate tax for bigger businesses, but requires all corporations to pay the same percentage, no matter if it's a multi-million dollar corporation or the mom-and-pop-store down the road.

The proposed cut would be the third business tax cut in the works this year. The Legislature has already approved an elimination of the franchise tax and a reduction on the unemployment tax. Some legislators are concerned that the state is not paying down debt, especially since deficits are projected by 2010. These lawmakers are urging the legislature to move cautiously and to act financial responsible to help prepare the state for hard times to come.

For a list of corporate income tax rates for all 50 states, please visit the Federation of Tax Administrators' Web site at MACROBUTTON HtmlResAnchor www.taxadmin.org/fta/rate/corp_inc.html.

KEEP IN TOUCH

It is a privilege to serve as your voice in the Kansas House of Representatives and I value your input on the issues facing our state government. Please feel free to contact me with your comments and questions. My office address is Room 521-S, State Capitol, Topeka, KS 66612. You may also reach me by phone at (785) 296-7651, by calling the legislative hotline at 1-800-432-3924 or by e-mailing me at: carlin@house.state.ks.us. If you would like to follow the legislative session online, the Web address is MACROBUTTON HtmlResAnchor www.kslegislature.org. You can also review former articles on my website at www.sydneycarlin.com.