

## KLPG Capitol Highlights

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### Save the Date:

KLPG 's

"Day at the Capitol"

Starts at 7:30 AM on

February 16th

Legislative reception is on

February 16th

From 5:00 - 7:00 PM

This is a summary of recent Kansas government and other statewide news, gathered and compiled independently by Pinegar, Smith & Associates from news media reports.

## 2011 Legislature, Week Four

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Friday call-ins at 7:30 AM during session. Call 661-673-8600 and enter 301599#. Note the call-in number is different than in past years.



### SB 50 - 911 Proposal

The Senate Utilities Committee heard a briefing on the Emergency 911 proposal in Senate Bill No 50 this week. Last year, the legislature extended for another year, until July 1, 2011, the sunset provision. The new language, which will be considered Monday in a public hearing, creates a revised Coordinating Council to monitor the delivery of 911 services, develop new strategies for future

enhancements and to distribute funds to PSAPs. The Governor will select a "Statewide Coordinator" to administer the grant fund and serve as liaison between the Council and the Local Collection Point Administrator (LCPA).

The LCPA will be appointed by the Council and will be responsible for the collection and distribution of the 911

funds. The Council shall set the 911 fees to be collected and such fees shall be based on the costs to operate PSAPs. Fees established by the Council shall be no less than \$.50 and no more than \$.60. The initial fee shall be set at \$.55.

*(cont'd on p. 2)*

## SB 50 - 911 Proposal *(cont'd from p. 1)*

Distributions to counties shall be determined from a sliding scale formula based on population, with no county receiving less than \$50,000 in direct distribution.

The grant fund program will be available for PSAPs to access

for assistance in the implementation of 911 services and the purchase and maintenance of equipment.

PSAPs shall regularly provide cost and expense information to the Council and annual report and periodic audits will

be submitted to the legislature.

The provisions of SB 30, prepaid wireless transaction fees, are included in the bill and the money collected will be credited to the 911 grant fund.

## SB 30 - Prepaid Wireless Bill

The Senate Utilities Committee met Tuesday to hear testimony on SB 30, the prepaid wireless bill. SB 30 provides for a fee on prepaid wireless services to pay for emergency 911 services in Kansas and the funds generated by the fee to be credited to the "wireless enhancement 911 grant fund."

KLPG submitted testimony in support of the bill. Appearing in support of the bill were Chris

Carrol for AT&T, Melissa Wagemann for KAC and Walt Way for Johnson County Emergency Communication. Pat Fucik also submitted testimony in support for Sprint.

There were no opponents presenting. One neutral party representing convince store operators testified. The smaller convenience store operators are concerned that they have very few prepaid wireless

transactions each year and the bill will cause them more work and expense than the state hopes to gain. While they support the idea behind the bill, they want input on how the fee is reported. The committee was concerned about the convenience store's issue and will work with the Department of Revenue to inquire about the reporting.

## Lee Confirmed to State Court of Tax Appeals

The Senate voted Monday to confirm the appointment of Sen. Janis Lee, D-Kensington, as Chief Hearing Officer of the State Court of Tax Appeals. The vote was 36-0, with three absences and Lee abstaining.

Lee began work on the Court of Tax Appeals yesterday.

A successor for Lee's Senate seat will be selected by precinct committeemen and committeewomen of the 36th District.



## House Appropriations Proposes Salary Cuts

The House Appropriations Committee added about \$10 million in cuts to the governor's Fiscal Year 2011 rescission bill.

The proposal include a 7.5 percent pay cut for state employees which will save the state about \$8 million.

The pay proposal would also cut the salaries for state officers, including judges, justices, statewide elected officials, agency heads and legislators

The bill covers the remainder of the fiscal year, which ends June 30, and the reductions would occur during the last six pay periods of the current fiscal year.

The issue of pay levels for the next fiscal year will have to be debated later in the current legislative session.

At Regents universities, money from the pay cuts could be redirected to address differed maintenance issues in campus buildings.

Gov. Brownback's bill already made about \$52 million in cuts, including cutting school funding in the current school year by reducing base state aid per student from \$4,012 to \$3,937, or \$75 per pupil. Gov. Brownback's proposal would also fall \$16.7 million short of

federal requirements for special education funding. Educators said that could mean the loss of an additional \$70 million in federal funds.

There was no effort to reduce this cut in K-12 funding in committee. An attempt by Rep. Jerry Henry, D-Cummings, to restore \$16 million for special education was defeated.

The bill passed Appropriations Committee without any Democrats voting in support of it. House Bill 2014 will now go to the full House for debate.

## Court Upholds PVD's Taxation of Natural Gas

The Kansas Court of Tax Appeals has denied the appeals of 40 Taxpayers seeking ad valorem tax exemptions for natural gas. The taxpayers in question are various businesses, including natural gas marketing companies, municipalities and local distribution companies that the Property Valuation Division (PVD) determined were public utilities for property tax purposes that had stored gas in Kansas and thus were subject to

taxation. These taxpayers are not certified or regulated as natural gas public utilities in Kansas.

The taxpayers contended that gas is not taxable and not properly allocated to Taxpayers. They also asserted that even if gas is taxable, that they were exempt from ad valorem taxation pursuant to Kansas statutes. Finally, the taxpayers argue that the definition of

"public utility" in Kansas is unconstitutional.

The Court rejected these arguments and upheld the PVD's assessment of taxes. The court found that natural gas is taxable, that the taxpayers met the statutory and constitutional definitions of public utility and that did not meet the requirements for a tax exemption.

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*Capitol Highlights is a  
weekly legislative  
summary prepared by  
Pinegar, Smith &  
Associates Inc.*



Please join us for our weekly conference calls every Friday at 7:30 AM during session. Call 661-673-8600 and enter 301599# when prompted.

## **Health Care Post Audit**

The Legislative Post Audit Committee was told this week that the Department of Corrections could save about \$473,000 a year if it billed Medicaid for some inpatient care provided to prison inmates. Under federal health care reform, more people will be eligible for Medicaid starting in 2014, which increases the potential savings to an estimated \$2.8 million annually.

The audit also found several other opportunities for State agencies to better coordinate health care programs.

The audit also addressed broad service gap issues being a significant problem that it said can only be addressed through State-level policy decisions. For example, low-income, single adults have difficulty getting affordable health insurance coverage in Kansas.

These findings were part of a review by Post Audit, at the request of legislators, to evaluate ways to cut costs in health-care services provided by the state.

## **Tourism Rolled into Parks**

Gov. Brownback signed an executive order Wednesday moving the Division of Travel and Tourism from the Department of Commerce to the Department of Wildlife and Parks.

The order renames KDWP to Kansas Department of Wildlife, Parks and Tourism (KDWPT).

The order will be official July 1, unless the Legislature rejects it.

## **Day at the Capitol**

Please remember to RSVP and reserve your hotel room for Annual KLPD Day at the Capitol. The KLPD Day at the Capitol will be February 16, 2011. Meetings begin at 7:30 a.m. on the 16th and will take place at the Old Hayden High School Building - 212 SW 8th Street, Topeka, Kansas.

The legislative reception will begin at 5:00 p.m., also on the

16th, at the Top of the Tower in the Bank of America Building, 534 S. Kansas Avenue.

RSVP to Chelsea Good at kansaslpg@gmail.com or 785-235-6245. Hotel reservations should be made directly to Capitol Plaza Hotel by calling 785-431-7200.