

# 2017 State Legislative Priorities

Policies and priorities the Overland Park Chamber will support on behalf of the Overland Park business community during the 2017 legislative session.

## Top Priorities:

- Governance
- Education
- Taxation Issues
- Transportation
- Economic Development
- Judicial Selection

## Important Priorities:

- Bioscience Initiatives
- Energy & Environment
- Health Care
- Housing
- Immigration
- Legislative Fiscal Authority
- Workers' Compensation



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# TOP PRIORITIES

## Top legislative objectives the Chamber actively will promote during the 2017 Kansas session:

### GOVERNANCE

The cornerstone of municipal and county government and public education is the belief that governance should be as close to the people as possible. The Chamber strongly supports the preservation of local control whereby local officials, elected through non-partisan elections, are accountable for the funding (including imposition of local sales and property taxes), regulation and provision of services to meet the needs of the communities they serve, including, but not limited to, determining the timing of local elections (i.e., spring or fall and even- or odd-numbered years).

### EDUCATION

The Chamber recognizes that high-quality public education, from pre-K through post-secondary, leads to a high-quality workforce. Educational excellence is one of the single most important reasons companies have selected Johnson County and Overland Park as their place of business, thus creating jobs in our region and economic prosperity in Kansas.

The Chamber supports a fundamental reform of the school finance formula that appropriately and fairly addresses statewide funding and equalization requirements. Statewide K-12 funding should be adequate for each district to be able to offer substantially the same opportunity for its students to achieve well-defined educational outcomes that meet or exceed the Rose Standards and otherwise promulgated by the Kansas State Board of Education. With the achievement of the foregoing, the caps on local effort; i.e., the local option budget (LOB), should be eliminated, thus allowing each district's patrons to levy additional local taxes in order to supplement such district's funding and educational programs over and above that constitutionally funded by the state without resulting in increased taxes elsewhere.

The Chamber supports policies, programs and funding that (i) invest in high-quality early childhood education; (ii) encourage and make possible the development of a world-class, robust P-20 public education system that offers curriculum options that (a) emphasize a rigorous science, technology, engineering, and mathematics (STEM) curriculum based on globally competitive standards as well as those that emphasize technical education and other career paths, all preparing students to be college and/or career-ready for the future and fosters a well-trained, productive, globally competitive workforce; (b) incentivize operational efficiencies; and (c) expands local authority and flexibility over how education funds are spent, all with the overall goal of maximizing educational outcomes.

The Chamber opposes the use of public tax funds to subsidize private education. The Chamber also opposes tax credits for contributions made to organizations, funds or programs established for the purpose of paying for or otherwise subsidizing private school tuition.

Within our state's public higher education institutions, the Chamber supports:

- Enhanced funding to address deferred maintenance on infrastructure;
- Measures to improve workforce development including enhanced career and technical education throughout the state;

- Promotion, advancement and funding of the University of Kansas Cancer Center's recent National Cancer Institute designation and support for efforts to achieve Comprehensive Cancer Center designation; and
- Continued local control for the management of colleges.

### TAXATION ISSUES

The Chamber supports a balanced and reasonable approach to tax reform that provides a positive business climate. The Chamber recognizes the value of and necessity for adequate state funds to provide essential government services that our businesses and citizens rely upon such as transportation, education, public safety, and quality of life offerings.

The Chamber opposes the plan for the scheduled reduction and eventual elimination of the state income tax (the "march to zero"). The Chamber believes that the existing tax structure and plan, particularly the total exemption of non-wage pass through business income from the payment of state income taxes (the "LLC loophole"), has failed to have the promised positive impact on the state's overall fiscal health, including the ability to maintain the key quality of life offerings identified by both business leaders and residents as fundamental; therefore, the Chamber supports the repeal of the LLC loophole.

The Chamber opposes (i) tax policy changes and unfunded mandates that simply shift the tax burden to other areas of state government or to other levels of government; (ii) tax policies that redistribute locally raised sales tax revenues without local control to the state of other local jurisdictions, and; (iii) the use of "sweeps" to move funds from "dedicated funds" to the state general fund to be used for other than their intended purpose.

The Chamber opposes tax, revenue and/or spending lids on state and local government, including any constitutional amendments, public referendums or statutes that restrict legislative authority to make decisions regarding taxing or spending. The Chamber supports the repeal of the requirement for a public vote to approve certain property tax increases proposed by local governments. At a minimum, consideration should be given to additional exemptions for the use of property tax revenues, including exemptions for providing mental health services and for construction and/or maintenance of infrastructure within the taxing jurisdiction.

The Chamber opposes any change in tax law that would apply a sales tax on professional services thereby negatively impacting our competitiveness with neighboring states. A comprehensive review of tax exemptions should include careful consideration of the economic development and employment consequences of eliminating such exemptions as well as establishment of criteria for the granting of exemptions that takes into account those instances in which products and services that governmental agencies would be required to provide if not available through exempt organizations.

### TRANSPORTATION

The speed, reliability, capacity and overall effectiveness of the state's transportation systems are crucial for job creation  
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ation, economic development, and business retention and expansion throughout Kansas.

The Chamber supports full implementation of T-WORKS, Kansas' 10-year Comprehensive Transportation Program (CTP).

On a statewide basis, the Chamber supports:

- Protecting existing transportation funding sources and opposes diversion or sweeping of funds from the Kansas Highway Fund;
- Preserving the Kansas practice of long-term, multi-year CTPs developed through a combination of KDOT technical analysis of transportation needs and local partner consultations, and focused on meeting our state's safety, economic development and quality of life priorities;
- Examining and adopting innovative funding mechanisms and alternative project delivery methods that support large-scale, regional transportation network investments;
- Supporting creation and implementation of a comprehensive, strategic plan for the integrated freight policies and improvements necessary to help Johnson County and the State of Kansas position as national and global freight and logistics leaders;
- Maintaining transportation funding from state to local governments for local transportation infrastructure needs; and
- Requiring economic development, job creation, and local financial support to be factors in establishing project priorities.

On a regional basis, the Chamber supports:

- Completing the I-435 and US-69 interchange improvements; completing the improvement and widening of US-69 between I-435 and 167th Street; and completing the widening of I-435 between I-35 and US-69 and the Johnson County Gateway (I-35/I-435/K-10 interchange).

## ECONOMIC DEVELOPMENT

Strong state economic development tools are vital for local business recruitment and retention. The Chamber strongly encourages lawmakers to support, protect and enhance proven economic development and workforce development programs that are critical tools used to stimulate employment and leverage private investment that provide stability and predictability and require accountability, including the

PEAK and HPIP programs, Angel Investor tax credits and STAR bonds. We oppose efforts to dilute the effectiveness of such programs including proposals to sunset them or subject them to the annual appropriations process.

Additionally, the Chamber strongly encourages the Legislature to:

- Support the authorization of saleable or refundable tax credits to improve our competitive position with other states' incentive programs;
- Continue to improve accessibility of front-loaded key incentives (preferably cash) in competitive economic development projects as it relates to negotiating for jobs and investment to level the playing field with surrounding states;
- Fully fund the Job Creation Program Fund;
- Support policies that promote fair competition and do not create undue regulatory burdens on business;
- Support elective, market-based, phased-in option for companies to use single sales factor formula of tax apportionment.
- Carefully consider the impact on business and potential conflict with federal law in regard to any proposed legislation in the context of religious liberty and discriminatory activity.
- Support policies that promote the commercialization programs at Regents' research institutions.

## JUDICIAL SELECTION

A fair and impartial judicial system is important to maintaining a stable and prosperous business climate. Justice for businesses and individuals is more likely attained when judges are able to perform their role based on constitutional principles and the rule of law, free from the influence of political and financial pressure from special interests.

For these reasons, the Chamber supports a non-partisan merit system for selection of judges, including the process for selection of Supreme Court justices in its current, basic form as well as periodic retention elections to ensure a reasonable level of accountability, and opposes all efforts to impose partisan judicial elections for trial or appellate court judges. The Chamber also opposes policy efforts designed to undermine judicial independence, including lowering the mandatory retirement age for judges.

# IMPORTANT PRIORITIES

**Other legislative objectives the Chamber will endorse and monitor during the 2017 Kansas session:**

## BIOSCIENCE INITIATIVES

Life, plant and animal science programs lead to additional jobs and revenue for the state and the Chamber supports legislation to expand these programs. The Chamber:

- Supports public policies to improve the competitive position of Kansas in the life sciences industry; and
- Opposes burdensome state standards on stem cell or other bioscience research that go beyond federal restrictions that would weaken the Kansas Economic Growth Act.

## ENERGY AND ENVIRONMENT

The Chamber encourages investments in energy reliability and efficiency and supports policies that balance public

health and environmental protections without unreasonable economic burdens on industry/business. To ensure clean energy availability to meet future demands, the Chamber:

- Supports development and voluntary use of alternative, domestic and renewable energy resources that are considered economical and environmentally friendly, without shifting costs between customers. This includes support for policies that expand and develop energy infrastructure, including transmission systems to deliver energy to the Kansas City region and other high demand areas; and

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- Supports energy and environmental regulations based on sound, measurable, and defensible scientific data in an economically pragmatic manner that will not create unnecessary implementation and regulatory compliance costs.

## HEALTH CARE

The health care costs of low-income, uninsured individuals currently are being passed on to businesses and others in the system. As part of a comprehensive and thorough review, the Chamber supports Kansas solutions that improve the quality and efficiency of the current KanCare/Medicaid system while maximizing coverage to those newly eligible under the federally passed Affordable Care Act (ACA). The Chamber supports fair and appropriate implementation of the ACA, including sufficient funding for KanCare/Medicaid to ensure the ongoing viability of health care providers who serve the uninsured and the underinsured.

The Chamber generally opposes health care benefit mandates and provider mandates that are in excess of mandates required by the ACA.

## HOUSING

New home construction and home remodeling projects are economic drivers that create jobs and increase the property tax base to support local schools and communities. The Chamber supports policies that maintain a healthy housing industry allowing residents access to high quality and affordable homes. The Chamber:

- Opposes any changes in state tax policy that adversely impact homeownership, including efforts to further reduce the state mortgage interest and property tax deductions and the low-income housing tax credit;
- Supports a regulatory environment for home building that is simple, certain and efficient; and

- Supports initiatives to support the use of green building technology in residential construction but not the mandated use of specific guidelines.

## IMMIGRATION

The Chamber supports a balanced immigration policy created and enforced at the federal level. The Chamber opposes state action that creates additional costly or time-consuming mandates for employers or that imposes unreasonable penalties on employers who unintentionally hire undocumented workers.

## LEGISLATIVE FISCAL AUTHORITY

The Chamber believes the responsibility to appropriate funds lies with the democratically elected legislature and strongly opposes efforts to limit that authority. The Chamber opposes:

- All constitutional amendments, public referendums, or statutes such as TABOR or TABOR-like initiatives that restrict legislative authority to make decisions regarding taxing or spending;
- Sending legislative spending or tax initiatives to a public vote, automatic tax refunds or other artificial limits on the budget process; and
- Requiring a supermajority vote by state or local governing bodies to approve tax increases.

## WORKERS' COMPENSATION

The Chamber supports protecting the integrity and affordability of the workers' compensation system so it fairly provides for employees legitimately injured while performing job duties without increasing employer costs. The Chamber supports maintaining the use of the AMA 6th Edition guidelines for evaluating permanent impairment in workers' compensation cases.

## STANDING PRIORITIES

**The Chamber's standing policies, which may or may not come up during any given legislative session, are:**

### SUPPORT the following:

- Modification or repeal of the collateral source rule to continue and enhance the reform of the legal process and lower litigation costs.
- Reform the definition of corporate unitary income tax liability as to not penalize a corporation locating further facilities or personnel in Kansas.
- Current sales tax situs law on motor vehicles.
- Current laws regarding exemptions to the Kansas Open Records Act.
- Monitoring of government spending and redirection of money saved as a result of increased effectiveness and efficiencies to programs in need of additional funding.
- Regulatory framework producing consistent and predictable application of state policies, procedures and regulations.
- Periodic update of the Kansas Corporation Code to remain competitive with neighboring states.
- Maximizing state funding for Medicaid home and community-based waivers for vulnerable populations to enhance our quality of life and help lower business costs.
- Cooperation among school districts and local units of government to improve efficiencies where feasible and fiscally prudent, including policies and programs that provide reasonable incentives that promote such cooperation and removal of legislative barriers that impede

any such action.

- The right for local units of government, schools and institutions of higher education, and businesses to regulate the carrying of firearms (open or concealed) on their premises.
- Appropriate investments in the "safety net" – programs and policies designed to care for and protect the vulnerable in our community – to help prevent higher business costs in the future and create a healthier, better educated, and more highly skilled workforce.
- Appropriate fund balance in the Employment Security Trust Fund to maintain its solvency, while balancing the cost to employers and reducing the unpredictability and volatility of employer contributions.

### OPPOSE the following:

- More restrictions to current statutes governing a city's ability to annex unincorporated land with the county's approval.
- Any constitutional amendment that would bar the use of eminent domain or efforts to further restrict local municipalities' ability to use eminent domain to address blight or economic development opportunities.
- Increases in corporate income tax rates.
- State-mandated binding arbitration in employment disputes.
- Artificial limits on appraised valuation growth.
- Initiative and referendum.