Legislature Returns for Veto Session

The legislature returns on Monday, May 3 to begin veto session. Below is a listing of issues we are watching with municipal impacts.

Countywide Sales Tax Formula - The Senate pushed aside its scheduled debate on this legislation before first adjournment after it became clear many members were uncomfortable with the bill's potential impacts. Your contacts with your legislators absolutely made the difference in pushing off this legislation! SB 87 would allow counties to retain all proceeds of a general, countywide sales tax in the future. Currently, general sales taxes levied by a county are shared with cities in the county based on a formula enacted in 1978. The formula recognizes the vast majority of retail sales occur within city limits, and cities provide much of the infrastructure needed to support commerce. The League opposes the sales tax changes allowed by SB 87. Cities’ shares of countywide sales taxes equaled $265 million in 2019. The legislation would not require counties to reach agreement with their cities in order to put on the ballot a sales tax where they retained all revenues. This would put cities in the unenviable position of cutting services or raising property taxes. Further, we are concerned that if a county did look to negotiate with cities on a new sales tax, they might only feel the need to negotiate with the large city in the county and not include smaller cities. Thank you to everyone who called or emailed their representative. The bill is still officially alive and could be worked when the legislature returns on Monday. Please continue to reach out to your legislators and encourage them to oppose SB 87.

COVID-19 Property Tax Relief/Government Competition - HB 2313 is in the Senate Assessment and Taxation Committee, and it has been amended to retroactively forgive property taxes of businesses that were shut down because of COVID restrictions. In addition, the bill was conceptually amended in committee to require any business that competes with a government to have that government entities portion of their property tax dollars refunded. This bill will have large impacts on cities of all sizes initial estimates show that the conceptual committee amendment might require over 20% of local governments property tax to be rebated. Please urge you legislators to oppose SB 2313.

The Kansas Fights Addictions Act has been bundled in conference into HB 2079 which is an Attorney General Bundle. The bill contains the amendment proposed by cities for 25% of the funds to go into a municipalities fights addiction fund specifically only for municipalities. The conference committee accepted the Senate's position to pay for a portion of K-Tracks from the State's 75% Kansas fights addiction fund. The K-Tracks money will not come from the 25% municipality specific fund. The conference committee report will be taken up by both chambers in veto session.

Claims Under KEMA - SB 286 will have a hearing on Monday, May 3 in Senate Judiciary. This bill creates an alternative method for settling claims brought by businesses for actions under the Kansas Emergency Management Act. While this bill could impact cities, it will have a substantial effect on counties.

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Nominations are now being accepted for the Mayor of the Year Award! The Mayor of the Year award was first established in 2001 and serves to honor mayors who have served their communities and contributed to the well-being of cities. Nominations will be accepted until May 4, 2021. Get all the information on how to submit on our website. The winner will be announced at Leadership Summit & Mayors Conference June 18-19 in Lawrence. Contact Tami Martin with any questions concerning the Mayor of the Year Nomination.