

Legislative Update: May 2019

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The 2019 Legislative Session is in the books as legislators returned home early on May 5. The wrap-up session, known as Veto Session, lasted just four days but proved contentious as factions of the House wrestled over Medicaid Expansion. After the smoke cleared, the 2019 session lasted just 79 days, building on a new two year trend to finish session in the first week of May. The 2019 session offered notable progress supporting TWORKS and laying the foundation for the next comprehensive transportation plan.

The Legislature's final budget bill (SB 25) included Governor Kelly's recommendation of \$160M in reduced KDOT transfers to the State General Fund. According to Kansas Department of Transportation Secretary Julie Lorenz, these funds will allow for four of the remaining TWORKS projects to start this year. This will leave 17 remaining TWORKS projects, however, several of them are not ready to begin even if the money was available.

In addition, in the final days of session, the Budget Conference Committee report agreed to transfer up to \$50M from the State General Fund to the State Highway Fund for FY 2019 (current fiscal year) with a 25% local match requirement. \$6.4M was also added for the acceleration of delayed TWORKS projects for FY 2020 by reducing the transfers from the State Highway Fund to the State General Fund for FY 2020. This session is a change compared to recent sessions with less total KDOT dollars transferred to the State General Fund.

In January, the Joint Legislative Transportation Vision Task Force presented its report to the Legislature. The 44-page report covered many topics and stated a stable transportation system is crucial for the state, but the \$2B in transfers since 2011 have crippled the TWORKS program. The committee recommended the completion of TWORKS as the top priority in a new program. Other expansion projects will be outlined and prioritized by the Kansas Department of Transportation.

As a result of the task force, a series of bills was introduced in the Senate and House relating to planning and funding concepts for a successor to TWORKS. Legislation was introduced dealing with the planning for a new program while other bills cover funding component topics such as an increased fuel tax, tax lid exception for transportation construction projects, tolling, electric vehicle registration fees and increased fees for oversized vehicles.

The bills spawned hearings in six different committees, offering supporters of the transportation plan to weigh in and bring awareness to the transportation needs.

By the end of the session, three of the bills were signed into law by Governor Kelly. This includes the Tolling Bill (HB 2007 conference committee report), which would give the Secretary of the Kansas Department of Transportation more authority to designate or construct toll projects as an optional tool. The HB 2225 conference committee report

increases permit fees for oversize or overweight vehicles and the HB 2214 conference committee report increases registration fees for hybrid and electric vehicles.

No transportation bills with a tax policy component moved forward this session. The two bills relating to the planning of the next transportation program are expected to generate more discussion next session.