

Journal of the House

THIRTY-NINTH DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Thursday, March 12, 2020, 11:00 a.m.

The House met pursuant to adjournment with Speaker Ryckman in the chair.

The roll was called with 121 members present.

Rep. Donohoe was excused on verified illness.

Reps. Bishop, Huebert and Wasinger were excused on excused absence by the Speaker.

Prayer by guest chaplain, Rev. Sandra Brown, Pastor, First Presbyterian Church, Topeka:

Gracious God, we gather this day in gratitude that you are the God who said: “Fear not, for I am with you; be not dismayed, for I am your God; I will strengthen you, I will help you, I will hold you up with my victorious right hand” (Isaiah 41:10). We lean on your strength today, O God, as we prepare to do the work that is uniquely ours to do for our neighbors, especially the neighbors who need us most. Help us to remember first the vulnerable people that others often think of last. Make our hearts and minds as open as the wide-open spaces of this beautiful state we call home. Flavor our discussion and decisions with a supersize portion of your grace today. Amen.

The Pledge of Allegiance was led by Rep. Dove.

INTRODUCTION OF GUESTS

There being no objection, the following remarks of Rep. Neighbor are spread upon the Journal:

It is my honor to stand before you today and introduce to you Mrs. Becky Tate. Mrs. Tate is the newspaper and yearbook adviser at Shawnee Mission North High School where she has taught for the past 30 years. She also was my daughter’s yearbook advisor when she attended Shawnee Mission North. Mrs. Tate is the 2019 National Yearbook Advisor of the Year. Becky is an exemplary Yearbook Advisor who has won many awards, including the Engel Award for the Outstanding Kansas Journalism Teacher of the Year in 2001 from the Kansas Associated Collegiate Press. She received

her undergraduate degree from K-State. While at K-State, she was the assistant editor of the Royal Purple yearbook and Editor of the Collegian newspaper. She received her Master’s Degree from the University of Kansas. While teaching high school, her staffs consistently earn All-American and Medalist ratings along with Crown and Pacemaker Finalist awards. One of her students was named runner-up in the JEA’s National School Journalist of the Year Competition.

Today, she is accompanied by her parents Luke Lucas, 90, and Marilyn Lucas, 84, her husband, Dow Tate, journalism teacher at Shawnee Mission East. Her daughter, Morgan Tate who attends Shawnee Mission Northwest was unable to attend.

Please join me in congratulating this award-winning journalism teacher and her wonderful family. Rep. Neighbor presented Mrs. Tate with a framed House certificate in recognition of her accomplishments.

INTRODUCTION OF GUESTS

There being no objection, the following remarks of Rep. Newland are spread upon the Journal:

Today it is my pleasure to recognize a gentleman for his outstanding gift to my hometown, the small, rural community of Neodesha, Kansas.

Effective this May, and for the next 25 years that follow, graduating Seniors from Neodesha High School that are in good standing and who meet the necessary requirements will be able to attend any post graduate institution of their choice, thanks to the Marilyn Cram Cutler Foundation. The scholarship award will cover tuition and mandatory fees for up to 120 credit hours of study for a bachelor’s degree and up to 60 credit hours of study for an associate’s degree or technical certification. Awards will be capped at the highest tuition at a Kansas public college for in-state students, which is currently the University of Kansas. Students will have 6 years to access the Neodesha Promise for a Bachelor program and 4 years for an Associate degree or Technical certification.

There is an expectation for many additional benefits to impact our community as a result of this very positive gift. From small business start-ups, renewed housing development, and an increase in jobs to a revitalized Main Street – just to name a few of these impactful possibilities. The excitement and enthusiasm from the community is incredible and it’s all because of one man and his dream to give back to the place where he grew up and to the school from which he graduated.

I would like to introduce the team responsible for putting the program into place:

- | | |
|---------------------|--|
| Dennis Depew | Neodesha Promise’ Founder and Benefactor |
| Don Adams | Advisory Board Member |
| Juanita Erickson | USD 461 Superintendent |
| Nathan West | High School Principal |
| Pattie Bailey | Neodesha Promise’ Administrator |
| Valon Jones | Scholarship Committee Member, CTE Coordinator |
| Devin Johnson | Neodesha Mayor |
| Erica Johnson | Public Relations Coordinator |
| Becky Ordway Cutler | Scholarship Committee Member |
| Ben Cutler | The Gentleman behind the Neodesha Promise’ Scholarship Program |

In recognition of his tremendous donation to the Neodesha High School and Neodesha Community, I would like to present a House Certificate to Mr. Ben Cutler. I would also like to present a House Certificate to the Neodesha School District, USD 461. Thank you, Mr. Cutler, for all you have done, not only for our students but for the entire Neodesha Community.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were introduced and read by title:

HB 2741, AN ACT concerning sales taxation; relating to exemptions; area agencies on aging; amending K.S.A. 79-3606 and repealing the existing section, by Committee on Taxation.

HB 2742, AN ACT concerning health and healthcare; enacting the Kansas equal access act; relating to medical cannabis; providing for the licensure and regulation of the manufacture, transportation and sale of medical cannabis; amending K.S.A. 44-1009, 44-1015, 79-5201 and 79-5210 and K.S.A. 2019 Supp. 8-1567, 21-5703, 21-5705, 21-5706, 21-5707, 21-5709, 21-5710, 21-6109, 23-3201, 38-2269, 44-501, 44-706 and 65-1120 and repealing the existing sections, by Committee on Federal and State Affairs.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to committees as indicated:

Federal and State Affairs: **HB 2740**.

Taxation: **HB 2739**.

CHANGE OF REFERENCE

Speaker Ryckman announced the withdrawal of **HB 2738** from the Committee on Federal and State Affairs and referral to the Committee on Judiciary.

INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

The following resolution was introduced and read by title:

HOUSE RESOLUTION No. **HR 6040**—

By Representatives Mason, Amyx, Barker, Capps, Carlson, Carpenter, Carpenter, Collins, Croft, Dietrich, Ellis, Eplee, Esau, French, Gartner, Hawkins, Helmer, Highland, Hoheisel, Howard, Humphries, Jacobs, Jennings, Johnson, Kelly, Kessinger, Mastroni, Phillips, Proehl, Rahjes, Resman, Rhiley, Schreiber, Seiwert, Tarwater, Waggoner, Waymaster and Yeager

HR 6040—A RESOLUTION recognizing the 31st anniversary of sister-state relations between the State of Kansas and Taiwan.

WHEREAS, On November 14, 1989, the state of Kansas and Taiwan entered into a sister-state relationship of enduring friendship and international cooperation; and

WHEREAS, Taiwan shares the values of freedom, democracy, rule of law and respect for human rights with the state of Kansas; and

WHEREAS, On January 11, 2020, Taiwan held its seventh direct presidential election, demonstrating the strength and vitality of its democratic system and that Taiwan is a beacon of democracy in Asia; and

WHEREAS, The state of Kansas and Taiwan have enjoyed a mutually beneficial bilateral trade relationship, with Taiwan ranking as Kansas' 3rd largest import country and 10th largest export destination in 2019; and

WHEREAS, Taiwan sent an Agricultural Trade Goodwill Mission to the state of Kansas in September, 2019, for meat purchase, which has further promoted the bilateral trade relationship between Kansas and Taiwan; and

WHEREAS, Negotiations for a fair and reciprocal bilateral trade agreement between Taiwan and the United States are an important step toward strengthening bilateral trade, increasing Kansas' exports to Taiwan; and

WHEREAS, The state of Kansas supports the signing of a free trade agreement and bilateral investment agreement with Taiwan and reaffirms support for increasing Taiwan's international profile; and

WHEREAS, Taiwan, as a responsible stakeholder in the international community, is seeking to meaningfully participate in the World Health Organization and International Civil Aviation Organization to help support the health, safety and well-being of its people; and

WHEREAS, For the past 31 years, Taiwan and the state of Kansas have enjoyed forging a relationship, and the state of Kansas looks forward to strengthening and expanding its sister-state ties with Taiwan: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas: That we recognize the 31st anniversary of sister-state relations between the state of Kansas and Taiwan; and

Be it further resolved: That the Chief Clerk of the House of Representatives shall send five enrolled copies of this resolution to Representative Mason.

CONSENT CALENDAR

No objection was made to **SB 354, SCR 1614** appearing on the Consent Calendar for the first day.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

HB 2490, AN ACT concerning income taxation; relating to corporations; providing for an extension of the net operating loss carryforward period; amending K.S.A. 79-32,143 and repealing the existing section, was considered on final action.

On roll call, the vote was: Yeas 118; Nays 2; Present but not voting: 0; Absent or not voting: 5.

Yeas: Alcalá, Amyx, Arnberger, Awerkamp, Baker, Ballard, Barker, Benson, Bergquist, Blex, Burris, Burroughs, Capps, Carlson, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Collins, Concannon, Corbet, Cox, Croft, Curtis, Delperdang, Dierks, Dietrich, Dove, Ellis, Eplee, Erickson, Esau, Finch, Finney, Francis, French, Frownfelter, Garber, Gartner, Hawkins, Helgerson, Helmer, Henderson, Highland, Hineman, Hoffman, Hoheisel, Holscher, Horn, Houser, Howard, Humphries, Jacobs, Jennings, Johnson, Karleskint, Kelly, Kessinger, Kuether, Landwehr, Long, Lusk, Lynn, Mason, Mastroni, Moore, Murnan, Neighbor, Newland, Ohaebosim, Orr, Ousley, Owens, Pannbacker, Parker, F. Patton, Phillips, Pittman, Probst, Proehl, Rahjes, Ralph, Resman, Rhiley, Ruiz, L., Ruiz, S., Ryckman, Samsel, Sawyer, Schreiber, Seiwert, Smith, A., Smith, E., Stogsdill, Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Toplikar, Vickrey, Victors, Waggoner, Ward, Warfield,

Warren, Waymaster, Weigel, Wheeler, K. Williams, Winn, Wolfe Moore, Woodard, Xu, Yeager.

Nays: Highberger, Hodge.

Present but not voting: None.

Absent or not voting: Bishop, Carlin, Donohoe, Huebert, Wasinger.

The bill passed.

HB 2571, AN ACT concerning licensure under the club and drinking establishment act; amending K.S.A. 2019 Supp. 41-311 and repealing the existing section, was considered on final action.

On roll call, the vote was: Yeas 108; Nays 12; Present but not voting: 0; Absent or not voting: 5.

Yeas: Alcalá, Arnberger, Awerkamp, Baker, Ballard, Barker, Benson, Bergquist, Blex, Burris, Burroughs, Capps, Carlson, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Collins, Concannon, Corbet, Cox, Croft, Curtis, Delperdang, Dierks, Dietrich, Dove, Ellis, Eplee, Erickson, Esau, Finch, Finney, Francis, French, Garber, Gartner, Hawkins, Helgerson, Helmer, Highland, Hineman, Hoffman, Hoheisel, Holscher, Horn, Houser, Howard, Humphries, Jennings, Johnson, Karleskint, Kelly, Kessinger, Kuether, Landwehr, Long, Lynn, Mason, Mastroni, Moore, Murnan, Neighbor, Newland, Ohaebosim, Orr, Ousley, Owens, Pannbacker, Parker, F. Patton, Phillips, Pittman, Probst, Proehl, Rahjes, Ralph, Resman, Ruiz, L., Ryckman, Samsel, Sawyer, Schreiber, Seiwert, Smith, A., Smith, E., Stogsdill, Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Toplikar, Vickrey, Victors, Waggoner, Ward, Warren, Waymaster, Wheeler, K. Williams, Wolfe Moore, Woodard, Xu, Yeager.

Nays: Amyx, Frownfelter, Henderson, Highberger, Hodge, Jacobs, Lusk, Rhiley, Ruiz, S., Warfield, Weigel, Winn.

Present but not voting: None.

Absent or not voting: Bishop, Carlin, Donohoe, Huebert, Wasinger.

The bill passed, as amended.

HB 2596, AN ACT concerning alcoholic beverages; relating to the club and drinking establishment act; authorizing the issuance of drinking establishment licenses to licensed manufacturers; amending K.S.A. 41-2632 and K.S.A. 2019 Supp. 41-2623 and 41-2642 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 113; Nays 7; Present but not voting: 0; Absent or not voting: 5.

Yeas: Alcalá, Amyx, Arnberger, Awerkamp, Baker, Ballard, Barker, Benson, Bergquist, Blex, Burris, Burroughs, Capps, Carlson, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Clayton, Collins, Concannon, Corbet, Cox, Croft, Delperdang, Dierks, Dietrich, Dove, Ellis, Eplee, Erickson, Esau, Finch, Finney, Francis, French, Garber, Gartner, Hawkins, Helgerson, Helmer, Henderson, Highberger, Highland, Hineman, Hoffman, Hoheisel, Holscher, Horn, Houser, Howard, Humphries, Jennings, Johnson, Karleskint, Kelly, Kessinger, Kuether, Landwehr, Long, Lusk, Lynn, Mason, Mastroni, Moore, Murnan, Neighbor, Newland, Ohaebosim, Orr, Ousley, Owens, Pannbacker, Parker, F. Patton, Phillips, Pittman, Probst, Proehl, Rahjes, Ralph, Resman, Ruiz, L., Ruiz, S., Ryckman, Samsel, Sawyer, Schreiber, Seiwert, Smith, A., Smith, E., Stogsdill, Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Toplikar, Vickrey, Victors, Waggoner, Warfield, Warren, Waymaster, Wheeler, K. Williams, Winn,

Wolfe Moore, Woodard, Xu, Yeager.

Nays: Curtis, Frownfelter, Hodge, Jacobs, Rhiley, Ward, Weigel.

Present but not voting: None.

Absent or not voting: Bishop, Carlin, Donohoe, Huebert, Wasinger.

The bill passed, as amended.

On motion of Rep. Hawkins, the House resolved into the Committee of the Whole, with Rep. Vickrey in the chair.

COMMITTEE OF THE WHOLE

On motion of Rep. Vickrey, Committee of the Whole report, as follows, was adopted:

Recommended that committee report to **HB 2689** be adopted.

Also, on motion of Rep. Toplikar, **HB 2689** be amended on page 6, following line 12, by inserting:

"Sec. 4. K.S.A. 79-32,176a is hereby amended to read as follows: 79-32,176a. (a) Any resident individual taxpayer who makes expenditures for the purpose of making all or any portion of an existing facility accessible to individuals with a disability, which facility is used as, or in connection with, such taxpayer's principal dwelling or the principal dwelling of a lineal ascendant or descendant, including construction of a small barrier-free living unit attached to such principal dwelling, shall be entitled to claim a tax credit in an amount equal to the applicable percentage of such expenditures or ~~\$9,000~~ \$15,000, whichever is less, against the income tax liability imposed against such taxpayer pursuant to article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. Nothing in this subsection shall be deemed to prevent any such taxpayer from claiming such credit: (1) For each principal dwelling in which the taxpayer or lineal ascendant or descendant may reside, or facility used in connection therewith; or (2) more than once, but not more often than once every four-year period of time. The applicable percentage of such expenditures eligible for credit shall be as set forth in the following ~~schedule~~ schedules:

Married individuals filing joint returns.

Taxpayers	% of
Federal Adjusted	expenditures
Gross Income	eligible for
	credit
\$0 to \$25,000 <u>\$60,000</u>	100%
Over \$25,000 \$60,000 but not over \$30,000 <u>\$70,000</u>	90%
Over \$30,000 \$70,000 but not over \$35,000 <u>\$80,000</u>	80%
Over \$35,000 \$80,000 but not over \$40,000 <u>\$90,000</u>	70%
Over \$40,000 \$90,000 but not over \$45,000 <u>\$100,000</u>	60%
Over \$45,000 \$100,000 but not over \$55,000 <u>\$110,000</u>	50%
Over \$55,000 \$110,000 but not over \$120,000	40%
<u>Over \$120,000 but not over \$130,000</u>	30%
<u>Over \$130,000 but not over \$140,000</u>	20%
<u>Over \$140,000 but not over \$150,000</u>	10%
<u>Over \$150,000</u>	0%

All other individuals.

Taxpayers Federal Adjusted Gross Income	% of expenditures eligible for credit
\$0 to \$40,000.....	100%
Over \$40,000 but not over \$50,000.....	90%
Over \$50,000 but not over \$60,000.....	80%
Over \$60,000 but not over \$70,000.....	70%
Over \$70,000 but not over \$80,000.....	60%
Over \$80,000 but not over \$90,000.....	50%
Over \$90,000 but not over \$100,000.....	40%
Over \$100,000 but not over \$110,000.....	30%
Over \$110,000 but not over \$120,000.....	20%
Over \$120,000 but not over \$130,000.....	10%
Over \$130,000.....	0%

Such tax credit shall be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made by the taxpayer. If the amount of such tax credit exceeds the taxpayer's income tax liability for such taxable year, the amount thereof which exceeds such tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the fourth taxable year succeeding the taxable year in which the expenditures are made.

(b) Notwithstanding the provisions of subsection (a), if the amount of the taxpayer's tax liability is less than ~~\$2,250~~ \$3,750 in the first year in which the credit is claimed under this section, an amount equal to the amount by which $\frac{1}{4}$ of the credit allowable under this section exceeds such tax liability shall be refunded to the taxpayer and the amount by which such credit exceeds such tax liability less the amount of such refund may be carried over for the next three succeeding taxable years. If the amount of the taxpayer's tax liability is less than ~~\$2,250~~ \$3,750 in the second year in which the credit is claimed under this section, an amount equal to the amount by which $\frac{1}{3}$ of the amount of the credit carried over from the first taxable year exceeds such tax liability shall be refunded to the taxpayer and the amount by which the amount of the credit carried over from the first taxable year exceeds such tax liability less the amount of such refund may be carried over for the next two succeeding taxable years. If the amount of the taxpayer's tax liability is less than ~~\$2,250~~ \$3,750 in the third year in which the credit is claimed under this section, an amount equal to the amount by which $\frac{1}{2}$ of the amount carried over from the second taxable year exceeds such tax liability shall be refunded to the taxpayer and the amount by which the amount of the credit carried over from the second taxable year exceeds such tax liability less the amount of such refund may be carried over to the next succeeding taxable year. If the amount of the credit carried over from the third taxable year exceeds the taxpayer's income tax liability for such year, the amount thereof which exceeds such tax liability shall be refunded to the taxpayer.

(c) In the case of all tax years commencing after December 31, 2020, the maximum tax credit amount, as prescribed in subsection (a), and the tax liability threshold amount in the first, second and third years, as prescribed in subsection (b), shall be increased by

an amount equal to such maximum tax credit amount and tax liability threshold amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

(d) The provisions of this section are applicable to tax year ~~2013~~ 2020, and all tax years thereafter.";

Also on page 6, in line 13, by striking "and" and inserting a comma; also in line 13, after "74-8136" by inserting "and 79-32,176a";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "economic development" and inserting "income taxation"; in line 3, after the semicolon by inserting "expenditures to make principal dwelling accessible to persons with a disability;"; also in line 3, by striking "and" and inserting a comma; also in line 3, after "74-8136" by inserting "and 79-32,176a"

Also, roll call was demanded on motion of Rep. Ward to amend **HB 2689**, on page 6, following line 12, by inserting:

"New Sec. 4. Providing a tax incentive for household and dependent care expenses provides for the economic development of this state and the credit allowed pursuant to K.S.A. 79-32,111c, and amendments thereto, institutes this objective.

Sec. 5. K.S.A. 79-32,111c is hereby amended to read as follows: 79-32,111c. (a) There shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to 12.5% for tax year 2018; an amount equal to 18.75% for tax year 2019; and an amount equal to 25% 50% for tax year 2020, and all tax years thereafter, of the amount of the credit allowed against such taxpayer's federal income tax liability pursuant to 26 U.S.C. § 21 for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any other credits allowable pursuant to law.

(c) No credit provided under this section shall be allowed to any individual who fails to provide a valid social security number issued by the social security administration, to such individual, the individual's spouse and every dependent of the individual.";

Also on page 6, in line 13, by striking "and" and inserting a comma; also in line 13, after "74-8136" by inserting "and 79-32,111c";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after the semicolon by inserting "increasing the household and dependent care expenses credit;"; also in line 3, by striking "and" and inserting a comma; also in line 3, after "74-8136" by inserting "and 79-32,111c"

On roll call, the vote was: Yeas 48; Nays 69; Present but not voting: 0; Absent or not voting: 8.

Yeas: Alcalá, Amyx, Ballard, Benson, Burroughs, Carmichael, Clayton, Cox, Curtis, Delperdang, Finney, French, Frownfelter, Gartner, Helgerson, Henderson, Highberger, Highland, Hodge, Hoheisel, Holscher, Horn, Kuether, Lusk, Moore, Murnan, Neighbor, Ohaebosim, Ousley, Owens, Parker, Pittman, Probst, Rhiley, Ruiz, L., Ruiz, S., Sawyer, Stogsdill, Toplikar, Victors, Ward, Warfield, Weigel, Winn, Wolfe Moore, Woodard, Xu, Yeager.

Nays: Arnberger, Averkamp, Baker, Barker, Bergquist, Blex, Capps, Carlson, B. Carpenter, W. Carpenter, Claeys, Clark, Collins, Concannon, Corbet, Croft, Dierks, Dietrich, Dove, Ellis, Eplee, Erickson, Esau, Finch, Francis, Hawkins, Helmer, Hineman, Hoffman, Houser, Howard, Humphries, Jennings, Johnson, Karleskint, Kelly, Kessinger, Landwehr, Long, Lynn, Mason, Mastroni, Newland, Orr, Pannbacker, F. Patton, Phillips, Proehl, Rahjes, Ralph, Resman, Ryckman, Samsel, Schreiber, Seiwert, Smith, A., Smith, E., Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Vickrey, Waggoner, Warren, Waymaster, Wheeler, K. Williams.

Present but not voting: None.

Absent or not voting: Bishop, Burris, Carlin, Donohoe, Garber, Huebert, Jacobs, Wasinger.

The motion of Rep. Ward to amend **HB 2689** did not prevail.

Also, roll call was demanded on motion of Rep. Hodge to amend **HB 2689** on page 6, following line 12, by inserting:

"New Sec. 4. (a) As used in this section:

(1) "Kansas employees" means persons who are employed in Kansas by the taxpayer and who perform duties for the taxpayer. "Kansas employees" does not include independent contractors or any person to the extent such person's compensation is based on commission.

(2) "Salaries" means gross compensation paid to Kansas employees as reported to the state of Kansas for income tax purposes for the calendar year for which a tax on income is imposed under the provisions of the Kansas income tax act, but only to the extent compensation is paid for business operations performed in Kansas for a business subject to the Kansas income tax. "Salaries" does not include compensation based on commissions.

(b) (1) For all taxable years commencing after December 21, 2019, a credit shall be allowed against the income, privilege or premium tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, in an amount equal to 20% of the increase of total salaries paid to Kansas employees from the next preceding year. In any one taxable year, the amount of such credit allowable for deduction from the taxpayer's tax liability shall not exceed \$2,000.

(c) Any person, hereinafter designated the assignor, may sell, assign, convey or otherwise transfer tax credits allowed and earned pursuant to subsection (a). The taxpayer acquiring credits, hereinafter designated the assignee, may use the amount of the acquired credits to offset up to 100% of its income, privilege or premiums tax liability for the taxable year. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the director of taxation within 90 calendar days following the effective date of the transfer and shall provide any information as may be required by the director to administer and carry out the provisions of this section. The amount received by the assignor of such tax credit shall be taxable as income of the assignor, and the excess of the value of such credit over the amount paid by the assignee for such credit shall be taxable as income of the assignee.

(d) The computation of salaries shall be made on forms supplied by the secretary of revenue.

(e) The secretary of revenue may adopt rules and regulations necessary to administer the provisions of this section.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "economic development" and inserting "taxation"; in line 3, after the semicolon by inserting "credit for salary increases to Kansas employees;"

On roll call, the vote was: Yeas 38; Nays 82; Present but not voting: 0; Absent or not voting: 5.

Yeas: Alcalá, Amyx, Ballard, Benson, Burroughs, Carmichael, Clayton, Curtis, Dierks, Finney, Frownfelter, Helgerson, Henderson, Highberger, Hodge, Holscher, Horn, Murnan, Ohaebosim, Ousley, Parker, Pittman, Probst, Rhiley, Ruiz, L., Ruiz, S., Sawyer, Stogsdill, Toplikar, Victors, Ward, Warfield, Weigel, Winn, Wolfe Moore, Woodard, Xu, Yeager.

Nays: Arnberger, Awerkamp, Baker, Barker, Bergquist, Blex, Burris, Capps, Carlson, B. Carpenter, W. Carpenter, Claeys, Clark, Collins, Concannon, Corbet, Cox, Croft, Delperdang, Dietrich, Dove, Ellis, Eplee, Erickson, Esau, Finch, Francis, French, Garber, Gartner, Hawkins, Helmer, Highland, Hineman, Hoffman, Hoheisel, Houser, Howard, Humphries, Jacobs, Jennings, Johnson, Karleskint, Kelly, Kessinger, Kuether, Landwehr, Long, Lusk, Lynn, Mason, Mastroni, Moore, Neighbor, Newland, Orr, Owens, Pannbacker, F. Patton, Phillips, Proehl, Rahjes, Ralph, Resman, Ryckman, Samsel, Schreiber, Seiwert, Smith, A., Smith, E., Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Vickrey, Waggoner, Warren, Waymaster, Wheeler, K. Williams.

Present but not voting: None.

Absent or not voting: Bishop, Carlin, Donohoe, Huebert, Wasinger.

The motion of Rep. Hodge to amend **HB 2689** did not prevail; and the bill be passed as amended.

Committee report to **HB 2548** be adopted;

On motion of Rep. Hodge to amend **HB 2548**, Rep. B. Carpenter requested a ruling on the amendment being germane to the bill. The Rules Chair ruled the amendment not germane.

Rep. Hodge challenged the ruling of the Rules Chair.

Roll call was demanded on Rep. Hodge's challenge of the ruling of the Rules Chair, the question being "Shall the Rules Chair be sustained?"

On roll call, the vote was: Yeas 81; Nays 38; Present but not voting: 0; Absent or not voting: 6.

Yeas: Arnberger, Awerkamp, Baker, Barker, Bergquist, Blex, Burris, Capps, Carlson, Carmichael, B. Carpenter, W. Carpenter, Claeys, Clark, Collins, Concannon, Corbet, Cox, Croft, Delperdang, Dierks, Dietrich, Dove, Ellis, Eplee, Erickson, Esau, Finch, Francis, French, Garber, Hawkins, Helmer, Highland, Hineman, Hoffman, Hoheisel, Houser, Howard, Humphries, Jacobs, Jennings, Johnson, Karleskint, Kelly, Kessinger, Landwehr, Long, Lynn, Mason, Mastroni, Moore, Newland, Orr, Owens, Pannbacker, F. Patton, Phillips, Proehl, Rahjes, Ralph, Resman, Rhiley, Ryckman, Samsel, Schreiber, Seiwert, Smith, A., Straub, Sutton, Tarwater, Thimesch, Thomas, Thompson, Toplikar, Vickrey, Waggoner, Warren, Waymaster, Wheeler, K. Williams.

Nays: Alcalá, Amyx, Ballard, Benson, Burroughs, Clayton, Curtis, Finney, Frownfelter, Gartner, Helgerson, Henderson, Highberger, Hodge, Holscher, Horn, Kuether, Lusk, Murnan, Neighbor, Ohaebosim, Ousley, Parker, Pittman, Probst, Ruiz, L., Ruiz, S., Sawyer, Stogsdill, Victors, Ward, Warfield, Weigel, Winn, Wolfe Moore, Woodard, Xu, Yeager.

Present but not voting: None.

Absent or not voting: Bishop, Carlin, Donohoe, Huebert, Smith, E., Wasinger.

The ruling of the Rules Chair was sustained and the bill be passed as amended.

REPORTS OF STANDING COMMITTEES

Committee on **Commerce, Labor and Economic Development** recommends **HB 2416** be amended by substituting with a new bill to be designated as "Substitute for HOUSE BILL NO. 2416," as follows:

"Substitute for HOUSE BILL NO. 2416

By Committee on Commerce, Labor and Economic Development

"AN ACT concerning income taxation; relating to credits; creating the Kansas targeted employment act."; and the substitute bill be passed.

(**Sub HB 2416** was thereupon introduced and read by title.)

Committee on **Rural Revitalization** recommends **HB 2527**, as recommended by the House Committee on Rural Revitalization as reported in the Journal of the House on February 12, 2020, and the bill as printed, be passed and, because the committee is of the opinion that the bill is of a noncontroversial nature, be placed on the consent calendar.

Committee on **Taxation** recommends **HB 2517** be amended on page 2, in line 20, after "improvement" by inserting "or commercial real property"; in line 29, after "improvement" by inserting "or commercial real property"; in line 32, after "improvement" by inserting "or commercial real property"; in line 35, after "improvement" by inserting "or commercial real property"; in line 37, after "improvement" by inserting "or commercial real property"; in line 39, after "improvement" by inserting "or commercial real property"; in line 43, after "improvement" by inserting "or commercial real property";

On page 3, in line 3, after "improvement" by inserting "or commercial real property"; in line 7, after "(c)" by inserting "(1) As used in this subsection:

(A) "Destroyed or substantially destroyed" means damage sustained by a public grain warehouse as the direct result of an earthquake, flood, tornado, fire, storm or other natural disaster event or occurrence that the governor of the state of Kansas has declared a disaster, whereby the cost of restoring the building or structure to its before-damaged condition would equal or exceed 50% of the market value of the building or structure before the damage occurred. For purposes of this subsection, such earthquake, flood, tornado, fire, storm or other natural disaster event or occurrence must be declared a disaster by the governor of the state of Kansas.

(B) "Public grain warehouse" means any grain bin, head house, storage facility or other structure located at a public grain warehouse location licensed pursuant to K.S.A. 34-228, and amendments thereto, or the United States warehouse act, 7 U.S.C. § 241 et seq. and utilized for the storage or handling of grain that is classified as real property for ad valorem tax purposes.

(2) The owner of any public grain warehouse that was destroyed or substantially destroyed may make application to the board of county commissioners of the county in which such property is located for the abatement of property taxes levied upon such public grain warehouse or for a credit against property taxes payable by such owner, as permitted by this section.

(A) If such public grain warehouse has been so destroyed or substantially destroyed after January 1 of a particular year but prior to August 15 of such year, the owner of such public grain warehouse may make application to such board of county commissioners for the abatement of property taxes levied upon such public grain warehouse, or if such property taxes have been paid or partially paid, may make application for the granting of a credit against property taxes payable by such owner during any or all of the next succeeding three taxable years.

(B) If such public grain warehouse has been so destroyed or substantially destroyed on or after August 15 of a particular year but prior to January 1 of the next succeeding year, the owner of such public grain warehouse may make application to such board of county commissioners for the granting of a credit against property taxes payable by such owner during any or all of the next succeeding three taxable years.

(d)";

Also on page 3, in line 8, by striking "and" and inserting a comma; also in line 8, after "(b)" by inserting "and (c)"; in line 18, after "is" by inserting "a commercial real property or"; in line 19, after "the" by inserting "commercial real property or"; in line 21, after "(b)" by inserting ", whether the property is a public grain warehouse, as defined in subsection (c), whether the public grain warehouse was destroyed or substantially destroyed, as defined in subsection (c)"; in line 22, by striking "or" and inserting ", commercial real property,"; also in line 22, after "improvement" by inserting "or public grain warehouse"; in line 24, by striking the first "or" and inserting ", commercial real property,"; also in line 24, after "improvement" by inserting "or public grain warehouse"; in line 26, after the period by inserting "The board of county commissioners, at the option of the board, may provide the abatement of property taxes for any property or class of properties seeking such abatement.";

Also on page 3, following line 26, by inserting:

"(f) For any city, taxing unit located within a city, school district or community junior college district that has 25% or more of the total parcels of property damaged, such entity may object by passage of a resolution and retain its portion of the abated taxes. An entity may object by resolution within 14 days after notification by the county commission that the county has decided to abate such taxes. The entity's portion of property taxes shall be abated if the entity fails to object within 14 days.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 1, in the title, in line 2, after "improvement" by inserting ", public grain warehouse and commercial real property"; and the bill be passed as amended.

COMMITTEE ASSIGNMENT CHANGES

Speaker Ryckman announced the appointment of Rep. Francis to replace Rep. Wasinger on Committee on Taxation on March 12, 2020.

Also, the appointment of Rep. Woodard to replace Rep. Probst on Committee on Commerce, Labor and Economic Development on March 12, 2020.

REPORT ON ENGROSSED BILLS

HB 2571, HB 2596 reported correctly engrossed March 11, 2020.

On motion of Rep. Hawkins, the House adjourned until 8:00 a.m., Friday, March 13, 2020.

JENNY HAUGH, JULIA WERNER, *Journal Clerks.*

SUSAN W. KANNARR, *Chief Clerk.*

