

“ THE PECK PERSPECTIVE ”

(From the Capitol)

January 16, 2023

Are Kansans ready for the Kansas Legislature to heat up the action in the 2023 Session? Ready or not, it is that time. The 2023 session gaveled in on Monday January 9th. It's my hope, desire and expectation that when the legislature adjourns in May, we can back look at decisions made during the session and feel that many good things were accomplished for the citizens of Kansas. However, only time will reveal if my desire is fulfilled.

Since 2023 is the start of a new term, we start with new legislators being sworn in and new legislation – or sometimes reread legislation – getting introduced. With all 125 House seats up for election in November 2022, the personnel of some House seats changed (due to a retirement or defeat of an incumbent), but most have the same legislators in 2023 as they had in 2022.

With this session new legislative district boundaries take effect – those drawn in 2022 – for the House, but not for the Senate. The redrawn senate districts will take effect in January of 2025. However, expect senators to spend a significant amount of time in those new districts over the next 24 months.

At the close of the first week, the Senate and House had each seen 33 bills introduced in their respective chambers. Those numbers will grow rapidly during the 90-day session. A session generally sees around 300 bills introduced in the Senate and 400 in the House. Of those about 700 bills, around 15 percent will make it all the way through the process and become law. And, of course, many amendments will be offered to bills; some being adopted, but many falling by the wayside.

The start of each session is also a time when legislators receive briefings on a variety of topics. During the first week we heard from the Director the Kansas Public Employees Retirement System (KPERs) and an updated overview of the state's revenue estimates from our Legislative Research Department. Neither had particularly good news.

Although a majority of the 2022 Legislature decided it a good idea to put an extra \$1.125 billion into the KPERs fund, the timing for the extra cash was not good. The return on investments in 2022 was in the negative, to the tune of 4.7% through November. Many economists believe indicators are pointing toward a recessionary period for the United States over the next several months, which could further reduce the return on investments in 2023. I say this based off of a December survey of economists by Bloomberg. The survey revealed 70% of economists see a probability of a downturn in 2023, up from 65% who felt that way in November.

The good news is the KPERS fund saw a return of 26.3% in 2021. Since 2001, the return on investments for KPERS has been in the negative five times, seen a positive return of less than four percent five times and a return in excess of eight percent 11 times.

Most have heard or read media reports expecting a substantial amount of cash in the State's bank account at the end of the fiscal year. That is true. However, it doesn't mean legislators should start spending more money – especially if we enter an economic slump that is expected to rival the 2002 recession. Implementing new programs, or providing large increases in funding for existing programs, ends up becoming a never-ending expense for Kansas taxpayers. I always remember, all the money the State has, came from taxpayers. Yes, some of it is from the Federal Government, but it is still taxpayer money. To that end, the Senate Tax Committee is looking at several options for returning money to taxpayers. We will consider reducing the state income tax rate, providing sales tax savings, and reducing the amount of property taxes the State accesses.

On Thursday, January 19th, I will testify before the Senate Tax Committee as the lead proponent of SB 29; a bill to provide a 4-day back-to-school sales tax holiday in early August. For those who have monitored my time as a legislator, you know this is not new with me. As a member of the Kansas House, I introduced legislation in 2006, 2007, 2009, 2011, 2014 and 2015. On four different occasions I was able to get the legislation passed by the House only to see it die in the Senate. Last session, I introduced SB 432, but it too failed to make it through the entire process. One thing that is different this time is the Governor has made a sales tax holiday one of her priorities. Very few democrat legislators have voted in favor of the legislation in the past, so I welcome the governor on board and expect to finally pass legislation that will provide parents, grandparents and others a tax cut when they purchase school supplies, clothing, computers and computer peripheral devices in early August. I'll keep you posted.

If you have thoughts or concerns on issues brought up in Topeka, please feel free to contact me. Phone: 785-296-7641 or email: virgil@virgil4senate.com. Additionally, if you desire to keep up with a bill, legislative votes, view a legislative session or committee meeting, go to: <http://www.kslegislature.org/li/>

Until next time, may the blessings of God be yours.

Virgil Peck
State Senator