

“ THE PECK PERSPECTIVE ”

(From the Capitol)

February 6, 2023

Last week I mentioned two bills I had introduced to provide property tax relief, SB 94 and SB 97, that I would be testifying in front of the Senate Tax Committee as the lead proponent. At that time, I was uncertain of the savings each bill would provide homeowners – I just knew Kansas property taxes are too high, and any reduction would be beneficial. During the committee hearing, the Legislative Research Department stated that SB 94 would save homeowners an average of \$26 and the savings in SB 97 would average \$45. I realize a savings of \$71 is not huge, but since almost all property taxes are levied by local government (counties, cities, schools, etc.), the Legislature’s ability to impact property taxes is limited.

Although a total of 453 bills have been introduced this session, with more added daily, only four have passed the originating chamber – four House bills. All four were pretty much standard, run-of-the-mill judiciary bills that easily passed with little or no debate. I expect both chambers to see more bills hit the floor for debate, amendment and vote this week.

Sponsoring Bills: Last week, I joined in cosponsoring a couple more bills, SB 123 and SB 128. There’s a difference between being the lead sponsor of legislation, such as SB 94 and SB 97, and being a cosponsor. The lead sponsor writes, or approves, the language of a bill, while a cosponsor signs on after the bill is written.

Passage of SB 123 will allow military veterans, their spouse, or dependents to qualify for in-state tuition at postsecondary educational institutions in Kansas if the veteran at some point in their career was stationed in Kansas for at least 11 months and the student establishes residency at the time of enrollment. SB 128 would establish the Ad Astra Opportunity Tax Credit – providing income tax credits for Kansas residents with dependent students not enrolled in a public school. Only time will tell if either garner sufficient support for passage.

Legislative Salary: Many Kansans are of the opinion that state legislators earn a high salary with many perks. That is not the case. I recently received my 2022 IRS form W-2 from the State and it revealed that my 2022 legislative salary was \$12,211.56. I’m not complaining – I knew going in what the salary was. However, the low salary limits the number of persons willing to run and serve as a legislator – as it requires spending time away from home during the session and many hours attending functions and events in the district. I bring this sometimes-sensitive subject up because there are proposals/bills that would increase legislative pay in Kansas, starting in 2025, after the next election cycle, to something more in line with our neighboring states. For example, Oklahoma legislative pay is \$47,500, Colorado is \$40,200 and Missouri \$36,800; all significantly higher than Kansas.

Nebraska is about the same as Kansas; their legislative salary is \$12,000. Is it time for Kansas to bump up the pay of future lawmakers?

Agriculture in Kansas: After being elected to the Senate in 2020, I specifically requested certain committee assignments. Although being vice-chair of the tax committee is an honor, and I thoroughly enjoy and understand tax policy and numbers, the only committee assignment I have that I requested is as a member of the Agriculture and Natural Resources Committee. Although I'm not in production agriculture, I've lived 63 years in rural Kansas and feel I have a good (not great) understanding of the issues/challenges ag producers face.

During January of each session, the Ag Committee receives reports concerning the agriculture industry. While 2022 was not an especially good year, agriculture continues to be the State's largest industry with a direct output in the Kansas economy of over \$53 billion. Not only do Kansas farmers, ranchers and agribusinesses drive the state's economy, they also make Kansas a leader as one of our nation's top agriculture and food processing states.

Hog and fed cattle prices were significantly above the five-year average all of 2022, but when the numbers are finalized, farm production expenses for the year are expected to have seen an increase of nearly 18% – representing the largest year-to-year dollar increase on record. Sadly, the input costs in 2023 aren't looking any better. They're projected to be higher than they were last year.

With the drought and heat of 2022, grain production in Kansas took a big hit. Yields were significantly lower than in 2021. Wheat production, with an average yield of 37 bushels per acre, was 244 million bushels, down 33% from the previous year. The corn harvest was down statewide by 32% at 511 million bushels, dropping Kansas to 9th nationally. Kansas generally ranks 6th or 7th in corn production. However, the 2022 corn yield comes on the heels of three years at the highest harvested amount in state history. The 2021 harvest was 751 million bushels, 2020 was 766 million and 2019 was 801 million bushels. The sorghum harvest, with an average yield of 40 bushels per acre, was 124 million bushels (53%) below 2021.

The top destinations of Kansas agriculture exports in 2022 included Mexico, Japan, China, South Korea and Taiwan.

I report the information about the agriculture industry because it's an indicator of what we may expect for the future of the Kansas economy.

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

Virgil Peck
State Senator