



2019 CAPITOL GAINS



KANSASCHAMBER
UNITED FOR BUSINESS

SAFEGUARDING OUR SYSTEM OF FREE, COMPETITIVE ENTERPRISE



After Decades of Slow Growth. **Kansas Must Act.**

Kansas is in global combat for jobs and talent.

The Kansas Chamber's Vision 2025 is our strategic action plan to get the state's economy growing faster and to create more jobs in our communities. It has four areas of focus: **Grow Talent Supply, Advance Competitiveness, Expand Innovation and Entrepreneurship and Improve Business Infrastructure.**










Vision 2025 will transcend political cycles and business cycles with goals for economic growth. The Chamber will cast a wide net across the state and around the country for input. We will research best practices of other state chambers, engage with the best thinkers about state-based policy and commission targeted research.

Learn how you can be part of moving our state forward at www.KSVision2025.com.



AN ACTION PLAN FOR KANSAS

TABLE OF CONTENTS

 Our Team.....	3
 From the President.....	4
 Taxation.....	5-6
 Human Resources.....	7
 Energy.....	8
 Education.....	8
 Regulations.....	9
 Health Care.....	9
 Historic Victories.....	10



THE MISSION OF THE KANSAS CHAMBER OF COMMERCE IS TO CONTINUALLY STRIVE TO IMPROVE THE ECONOMIC CLIMATE FOR THE BENEFIT OF EVERY BUSINESS AND CITIZEN AND TO SAFEGUARD OUR SYSTEM OF FREE, COMPETITIVE ENTERPRISE.



OUR TEAM



ALAN COBB
President & CEO



Eric Stafford
Vice President of Government Affairs



Aaron Miller
Vice President of Investor Relations



Jennifer Baysinger
Vice President of Political Affairs



Sherriene Jones-Sontag
Vice President of Communications



Kristi Brown
Sr. Director of Government Affairs



Brandie McPherson
Sr. Director of Investor Relations



Christie Kriegshauser
Director of Political Affairs



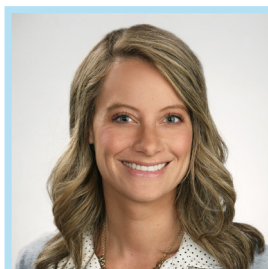
Kelsey Wiens
Communications & Special Events Coordinator



Bryan Frye
Sr. Director of Investor Relations



Emily Corby
Director of Operations



Jessalyn Wilson
Manager of Administration

FROM THE PRESIDENT

When on the road visiting with you, our members, we often ask you to think of your investment in the Kansas Chamber as one of your employees. That investment pays for advocacy at the Kansas Statehouse so you can focus on your company. Without a voice representing the Kansas business community, the threat of harmful legislation would quickly turn into a reality. Don't believe me? Here are examples of legislation introduced during the 2019 legislative session:

- ▶ HCR 5008 - repealing Kansas' constitutional right to work
- ▶ HB 2060 - repealing prohibition on municipal regulation of paid leave for employees
- ▶ HB 2259 - prohibiting employers from checking criminal records during hiring process
- ▶ SB 141 - increasing state minimum wage

The 2019 session had a different feel. A new governor took office in January. Nearly a dozen newly elected, pro-business legislators in the Kansas House brought a political philosophy shift to the chamber. Through it all, the Kansas Chamber continued to serve as the lead on coalitions for business issues, monitoring 224 bills that could potentially impact your business, for better and for worse, and testifying nearly 40 times before committees. The Chamber team also met with key policy makers and worked to build relationships with new agency representatives.

The Chamber had success with the passage of key policies in the **2019 Legislative Agenda**. Two big wins in the health care arena were legislation passed in response to President Trump's regulations loosening guidelines on association health plans, and to allow companies to directly hire physicians for on-site health care for employees. There also were several attempts to protect businesses and individuals from unintended tax increases caused by the **2017 Tax Cut and Jobs Act**. And legislation passed approving an independent study of rising energy costs.

Kansas businesses continue to reap the benefits of previous legislative victories. In 2019, unemployment tax will be reduced by \$40 million because of the solvency of the UI trust fund. Work comp premiums also are down 40% statewide as the 2011 and 2013 workers compensation reforms continue to protect the balance of the needs of both injured workers and employers.

These victories would not be possible without your financial investment in the Kansas Chamber. We value each member and the input we receive throughout the year and during our legislative agenda development process, task groups and member meetings. We look forward to seeing you at our summer and fall events across the state. Be sure to visit www.kansaschamber.org/events for a full calendar of events!



President & CEO, Kansas Chamber

TAXATION

OUR POSITION

The Kansas Chamber supports policies which lower taxes, allowing businesses the crucial financial strength to grow, develop products, invest in employees and increase profits. A strong business climate creates a strong economy.

THE CHALLENGE

After falling four votes short in 2018, the pressure was on Kansas lawmakers in 2019 to pass legislation addressing changes in state tax code caused by the *2017 Tax Cuts and Jobs Act*. Many states acted to decouple from key corporate income tax provisions to avoid state taxation of foreign income. Meanwhile, Kansas' SGF spending continues to significantly exceed income growth, a troubling sign economists watch for when determining economic growth forecasts for states.

OUR VICTORIES

- ▶ Passed SB 22 preventing unintended state tax increases on individual and corporate taxpayers. Governor Kelly vetoed SB 22, falsely claiming these tax changes were “another round of Brownback tax cuts.”
- ▶ The second attempt to address the “federal windfall” caused by federal tax changes passed during veto session. HB 2033 addressed the federal conformity efforts on individual and corporate taxpayers and included other key pro-business policies advocated by the Chamber. HB 2033:
 - ▶ Removes retroactive application of changes to individual and corporate provisions (except for the IRC 965A repatriation since this is a 2017 tax year event in the eyes of federal tax code).
 - ▶ For tax year 2018, Global Intangible Low-Tax Income (GILTI) will receive a 95% deduction, taxing 5% of GILTI income at the corporate rate. GILTI income from 2019 forward will be 100% exempt.
 - ▶ HB 2388: Changes the net operating loss (NOL) carryforward standard from 10 to 20 years up to 80 percent of taxable income.
 - ▶ SB 196: Restores small business expense deduction on certain capital investments beginning in tax year 2019.
 - ▶ Marketplace fairness- HB 2033 includes language addressing the Wayfair decision of taxing online sales. The bill calls for revenue generated from growth in internet sales tax to be used to buy-down the food sales tax rate over time until it eventually is eliminated.

TAXATION (cont.)

Unfortunately, Governor Kelly also vetoed HB 2033. This time in mid-May, and by a vote of 78-39, the legislature failed to override her veto (84 votes needed). This issue will not go away. It is unfortunate the governor and so many lawmakers are unable to understand the competitive disadvantage not decoupling places on our state when so many other states have updated their state tax code to address the changes caused by the 2017 Tax Cuts and Jobs Act.

- ▶ Passed HB 2223 to authorize independent and periodic review, analysis and evaluation of state economic incentives and their ROI. The Chamber initially opposed the bill, as the original version lacked any follow through or analysis on whether Kansas incentive programs work. The original bill only publicly listed all recipients of tax credits and incentives on a Kansas Department of Commerce website. The final version is largely based on legislation passed by the state of Indiana, which is viewed as one of the top states for its incentive review process.

SUCCESSFULLY DEFEATED:

- ▶ Increases in the motor fuel tax. State budgets need to end transfer of sales tax dedicated for highways. If dollars are allocated to infrastructure as initially intended, there is not a need for higher taxes.
- ▶ Efforts to implement a new property tax lid exemption for local transportation projects. This would kill any effectiveness to control local property taxes through a public vote.

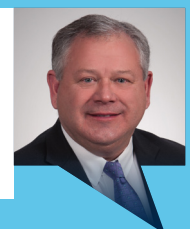


“As a small business owner it gives me great comfort to know that a strong business organization is continuously working with the Kansas Legislature to improve the Kansas business climate, allowing us to focus on our own business mission and vision to grow our company.”

Shirley Martin-Smith, Franchisee, Adecco

“With my focus on maintaining and growing my different businesses, I don’t have time to track what the Kansas Legislature is doing. The Kansas Chamber takes the responsibility of keeping a positive business environment within our great state and serves as my voice during the legislative session.”

Christopher Miller, President and CEO, Gammon Miller LLC



HUMAN RESOURCES

OUR POSITION

The Kansas Chamber supports policies that promote fairness and protect employer costs.

THE CHALLENGE

Continued efforts to reverse strong, pro-business reforms passed in recent years are a threat to employer costs. The Chamber continues to defend against legislation to weaken employment and labor laws.

OUR VICTORIES

SUCCESSFULLY DEFEATED:

- ▶ Efforts (HB 2186) mandating paid sick leave and paid time off for employees.
- ▶ Legislation that would have allowed privately contracted, seasonal bus drivers to draw benefits from the UI Fund that had not been fully contributed to by their industry.
- ▶ Legislation that would have created an additional legal fund for employees with a wage dispute claim increased business costs unnecessarily.



"As the state's leading clean energy provider, Evergy knows first-hand the value the Kansas Chamber brings each day to the statehouse. The Chamber is highly effective in developing and advocating policies that directly benefit the state's business community and works hard to support and advance a pro-business agenda."

Terry Bassham, President and CEO, Evergy

"Having a pro-business environment in Kansas is vital to our state. The Kansas Chamber's advocacy work at the Kansas Statehouse has benefited our company tremendously over these many years, and has allowed us to stay focused on competing and growing within our industry. Because of their efforts, it has enabled us to continue to reinvest in our organization, employees, and community."

Jonathan Mize, President and CEO, Blish-Mize



ENERGY

OUR POSITION

The Kansas Chamber supports energy policies which promote market-driven solutions to reduce energy costs while maintaining a comprehensive and diverse portfolio of energy sources and technologies.

THE CHALLENGE

Kansas has seen its national ranking dramatically fall from top 15 in the nation for energy costs to the mid-to-lower 30's since 2008.

OUR VICTORIES

- ▶ Passage of Senate Bill 69 requires the legislature to approve an independent study of Kansas' electric rates and provide recommendations to the legislature on addressing the increased rates going forward.
- ▶ Defeated House Bill 2273 which would have required mandatory setbacks and additional harmful restrictions and regulations for wind energy facilities.

EDUCATION

OUR POSITION

The Kansas Chamber supports an excellent education system which produces a well-educated, well-trained Kansas workforce to meet the business needs of today and tomorrow.

THE CHALLENGE

With dramatic funding increases in both K-12 and Higher Education, Kansas must ensure the maximum amount of state educational funding is spent in the classrooms, efficiently, on a curriculum that prepares Kansas students for success after graduation and that they have the skills to meet the needs of a 21st century economy.

OUR VICTORIES

To meet the high demand for computer coders, the Chamber introduced HB 2273 to allow students to take computer coding as a core science elective if offered in their high school. After testimony was provided to the House Education Committee, the Kansas Department of Education asked to work with the Chamber and our members to develop updated standards and curriculum directly addressing this need.

REGULATIONS

OUR POSITION

The Kansas Chamber supports a regulatory climate that promotes a healthy business climate and instills regulatory certainty.

THE CHALLENGE

Across the country at both the state and national level, businesses have faced excessive and costly regulatory challenges.

OUR VICTORIES

- ▶ Stopped legislation (SB 56) mandating that state contractors or vendors buy tracking software for billable hours with very specific and descriptive requirements to track billable hours. Legislation was written and pursued by a firm selling such software.

HEALTH CARE

OUR POSITION

The Kansas Chamber supports meaningful, free market health care reform aimed at lowering the overall cost of health care making it more affordable for employers.

THE CHALLENGE

There is a significant need to find ways to better manage and lower health care costs while improving access to affordable care. However, there is a fundamental difference of opinion on the role government should play in our health care system.

OUR VICTORIES

- ▶ Passed HB 2119 to allow Kansas corporations and insurance companies to employ physicians to provide care to their employees, dependents or enrollees.
- ▶ Passed HB 2209 to remove restrictions on small and medium sized businesses that prohibited them from joining more affordable Association Healthcare Plans (AHPs).

SUCCESSFULLY DEFEATED:

Largely because of the efforts of Senate leadership, multiple attempts on the floor in both the House and Senate to pass a Medicaid Expansion bill that had insufficient funding mechanisms and no clear, long term plan of execution.

HISTORIC VICTORIES

2018

- ▶ Established a hard \$25 million cap on appeal bonds for businesses and a \$2.5 million cap for qualifying small businesses facing bankruptcy or settlement when they cannot afford to post a high-level bond.
- ▶ Passed the Asbestos Trust Transparency Act
- ▶ Established stronger guidelines for government agencies to follow when conducting economic impact statements on the cost to Kansas businesses when adopting rules and regulations.
- ▶ Defeated multiple attempts to increase the tax burden on Kansas families and businesses.

2017

- ▶ Prevented passage of bills which weakened the public vote requirement when local units of government attempt to increase property taxes above the rate of inflation.
- ▶ Defeated efforts to subject custom computer software, towing services, non-residential custodial cleaning and others services to sales tax.

2016

- ▶ Strengthened public vote requirement which restricts cities and counties from adopting budgets with revenues from property tax increases which exceed inflation unless approved by a majority of voters.
- ▶ Passed property tax reform which increases fairness of the property tax valuation and appeals process.
- ▶ Passed extension of the Angel Investor Tax Credit Program until 2021.

2015

- ▶ Passed property tax reform prohibiting cities and counties from adopting budgets with revenues from property taxes which exceed inflation unless approved by a majority of voters during a regularly scheduled election.
- ▶ Passed Unemployment Insurance reform, switching Kansas from an "arrayed" system to a "fixed" system to restore fairness and tax employers according to their experience and usage of the UI trust fund.
- ▶ Led efforts to repeal the 20% renewable energy mandate.

OTHER NOTABLE VICTORIES

2013: Passed legislation prohibiting local units of government from requiring paid leave and paid sick leave.

2011: Led coalition to overhaul work comp system for first time in nearly 20 years.

2011: Passed expensing of capital investments. Kansas first state in nation allowing this.

2009: Passed Promoting Employment Across Kansas Act (PEAK).

2007: Phased out the franchise tax over three years.

2006: Repealed the business machinery & equipment property tax.

2005: Phased out estate tax over five years.

TOGETHER, WE ARE UNITED FOR BUSINESS.



The Kansas Chamber is a pro-business advocacy organization representing the interests of small, medium and large businesses across the state. We are dedicated to promoting policies that reduce employer costs and to making Kansas the best state in the nation in which to do business.

The core focus of the Kansas Chamber's work at the Statehouse is protecting the business community from increased costs such as higher taxes, user fees and loss of tax exemptions.

We have been instrumental in passing significant reforms in the areas of tax policy, unemployment insurance, workers compensation and energy.

We look forward to building on these successes in 2020 as we strive to make Kansas a top state in the nation in which to do business.



835 SW Topeka Blvd. • Topeka, KS 66612
(785) 357-6321 • president@kansaschamber.org
  [kansaschamber.org](https://www.kansaschamber.org)

AFFILIATE ORGANIZATIONS

Kansas Chamber Political Action Committee

Kansas Manufacturing Council

Leadership Kansas

State Affiliate of Ntnl. Assoc. of Manufacturers (NAM)

State Affiliate of U.S. Chamber of Commerce