

2006 Kansas Legislative Update

It was a busy session in the 2006 Kansas Legislature, and there was considerable time spent on legislation that affects businesses in Kansas. We are providing a summary of some of that legislation.

Machinery and Equipment Personal Property Tax

The legislation that may have the greatest impact on Kansas businesses is the elimination of the property tax on newly made investments in machinery and equipment for businesses. The legislation eliminates property taxes levied against purchases made after June 30, 2006, of machinery and equipment, such as computers, desks, business machines, equipment used in manufacturing operations and equipment used in warehousing.

Estate Tax Repeal

Family-owned business operators may be particularly interested to know that Senator John Vratil, a member of Lathrop & Gage in our Overland Park, Kansas office, introduced the bill that ultimately passed and which calls for the Kansas state estate tax to be gradually phased out so that it is eliminated by the year 2010. Until 2010, the tax continues with a \$1 million exemption and gradually phased down rates.

Eminent Domain

The Legislature passed a bill that will prohibit local governments, beginning July 1, 2007, from acquiring private property through eminent domain for economic development purposes without the express consent of the state legislature. The bill prohibits the sale, lease, or other transfer of real property to a private entity if the land has been acquired by eminent domain.

Concealed Carry

After being vetoed by Governor Sebelius, the Legislature had sufficient votes to override her veto and passed a concealed

carry bill that allows Kansans who are 21 or older and pass background checks to obtain a permit to carry a concealed firearm. Businesses may prohibit people from carrying concealed weapons by posting signs. Additionally, concealed firearms are barred from state office buildings, city halls, courthouses and law enforcement facilities.

TABOR

Late in this year's session, "TABOR (Taxpayer Bill of Rights) lite" was brought up for House committee action; but did not go any further. The revised TABOR calls for a two-thirds majority of the House and Senate to approve any tax increase. We expect this issue to be considered again during the 2007 legislative session.

Workers' Compensation Reform

Significant reform of the state's worker's compensation program passed both houses this session, but was vetoed by Governor Sebelius. There were not enough votes to override her veto, but it is encouraging to see that support for reform is increasing in both houses.

Funding for KU Cancer Center

The budget bill passed by the Legislature this year also included \$5 million to be directed to the KU Cancer Center. The \$5 million will help KU's application for National Cancer Institute's designation for the KU Cancer Center as a national comprehensive cancer center which will treat Kansans with cancer and conduct cancer research.

If you have any questions about these or any other new laws, contact your Lathrop & Gage attorney or:

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