



# News From The Capitol

Representative Don Hineman

February 20, 2012

## Last Chance for 2012 Issues Survey

My 2012 Issues Survey is now available online but will be closing soon. I encourage response from anyone living in the 118<sup>th</sup> District (Wallace, Logan, Gove, Trego, Wichita, Lane, Ness and Rush Counties).

Go [HERE](#) to participate in the survey and make your thoughts known.

To make the survey results truly representative of the thoughts of the residents of the 118<sup>th</sup> District I need a large response. **If you have friends, family, or associates who might be interested in completing the survey and receiving the newsletter** I would appreciate you forwarding their contact information to me.

## Governor's Tax Plan

The early focus during the 2012 Kansas legislative session has been on tax reform. Governor Brownback's administration promotes reducing income tax rates as a way to gain an advantage for Kansas, leading to an expanding economy and job growth. The plan initially reduces income tax rates by eliminating many credits and deductions and by not reducing the sales tax rate, which is currently scheduled for July 1, 2013. In the future, whenever state receipts grow by more than 2%, the excess would be used to reduce tax rates even more, with the goal of eliminating Kansas income tax entirely.

Reducing Kansas income tax rates could definitely lead to economic growth. Kansans pay higher income tax rates than any of our neighbors except Nebraska. The first phase of the plan would make Kansas quite competitive in the region, making our rates lower than Oklahoma, Missouri, and Nebraska, and nearly the same as Colorado. That could be healthy for the Kansas economy.

But is there reason to continue pushing the rates ever lower... to reduce until the state income tax disappears entirely? Some say yes, and they point to Texas, where there is no state income tax, as one to emulate. But in December the unemployment rate in Kansas was 6.3%, and six of the nine states that have no state income tax had a higher unemployment rate. Texas was one of the six. Kansas will have no state budget deficit during the next fiscal year, but five of the nine no-income-tax states face budget deficits up to 37%. Texas is one of the five. For the period from 1997 to 2009 Kansas experienced greater growth in per capita GDP than six of the no-income-tax states, including Texas. Obviously, total elimination of state income tax is **no guarantee** of economic prosperity.

What should overall tax policy look like? Most economists say that tax policy should be broad-based, stable, and equitable. The Governor's Equity Task Force in 1995 said "The state and local tax system should be balanced and diversified. A

diversified tax system offers a blend of economic tradeoffs. Because all revenue sources have their weaknesses, a balanced tax system will reduce the magnitude of problems caused by over reliance on a single tax source. ” Alison Felix, economist at the Federal Reserve Bank in Kansas City recently stated “Kansas had the least volatile tax revenues in the Tenth District over the past 40 years. The tax portfolio in Kansas is relatively diversified, putting almost equal weight on sales taxes and income taxes. Just as diversification reduces risk in a financial portfolio, diversifying state tax structures is likely to reduce volatility.”

Reducing Kansas income tax rates to gain competitive advantage is a worthwhile goal, and the first phase of Governor Brownback’s plan would do that. But I see little evidence that total elimination of Kansas income tax would be a positive step for our state. Instead, if we are truly concerned about those goals of stability and equity, maybe we should take a look at Kansas property tax. The Tax Foundation ranks Kansas citizen’s property tax burden as excessive. Only nine states have greater property tax burden, and none of them are our neighbors. This is a very real problem for property owners, particularly in rural Kansas communities. Perhaps it is time to consider tax reform in this arena as well.

**House Redistricting Map Passed**

Last week the Kansas House of Representatives passed a bill that redraws district boundaries for the 125 Kansas House districts. Although the map will not become final until it is adopted by the Senate and signed into law by Governor Brownback, little change is expected.

Up until the early 1960s each of Kansas' 105 counties had a representative in the Kansas House, with an extra twenty seats going to the more populated counties in the state. Many of us in rural Kansas long for those bygone days, but unfortunately they will not come again. A U.S. Supreme Court decision in 1963 mandated equal representation for state legislatures, and since then the legislative districts have been redrawn after each decennial census to insure that all are basically equivalent in population.

The new map uproots three rural legislative districts and sends them to the Johnson County area, where the recent population growth has occurred. Rural Kansas will lose representation, and that is unfortunate. However no amount of creative map-making can change the fact that rural Kansas has lost population. The best we can do is work toward public policy that will alter that trend in the future.

If this [map](#) receives final approval, the district I represent will change substantially. Wallace, Logan, and all of Gove County except the Quinter precinct will move to the 121st District, currently represented by Representative Rick Billinger of Goodland. Wichita County will move from my district to the 122nd, represented by Representative Gary Hayzlett of Lakin. New territory added to my district: all of Ness County not presently in my district, all of Hodgeman County, western half of Pawnee County, and Northeast Finney County, up to and including a small portion of the City of Garden City.

I have made many friends in the northwest part of the 118th District since I first ran for the legislature in 2008. I regret that I will no longer have the privilege of being your representative but I invite you to continue to consider me a champion for Western Kansas and a friend in

Topeka. Though I may no longer officially represent you I will still welcome your calls, emails, and suggestions.

## Town Hall Meetings Next Weekend

Please join Senator Ralph Ostmeyer and I next weekend as we conduct town hall meetings in communities throughout the 118th District and surrounding area.

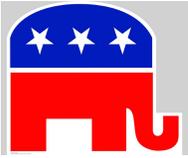
### **Saturday, February 25:**

8-9 a.m. CT	Oakley	People's State Bank Basement
9:00-10:00 a.m. MT	Sharon Springs	Cab Building
10:45-11:45 a.m. MT	Tribune	Senior Center
1:30-2:30 p.m. CT	Leoti	C.A.R.E. Center
3:15-4:15 p.m. CT	Scott City	Scott County Library

### **Monday, February 27:**

8-9 a.m. CT	Quinter	Jay Johnson Public Library
9:45-10:45 a.m. CT	WaKeeney	Library Community Room
11:30-1 p.m. CT	Ness City	Cactus Club
1:45-2:45 p.m. CT	Dighton	Courthouse Community Room

## Presidential Preference Caucus



On Saturday, March 10 the Kansas Republican Party will be conducting the Presidential Preference Caucus in about 100 locations throughout the state, including one in each county in the 118th District. Participation is open to any registered member of the Kansas Republican Party, and I encourage your attendance.

No Republican candidate will have enough votes to lock up the party nomination before the primaries in other states in April, so your participation will be important! Go to the [website](#) of the Kansas GOP for more information and then click on the "Caucus: March 10" drop-down menu to learn more.

Note that this will be a good "test-run" to make sure your credentials are in order for Kansas' new voter ID law before voting in primary and general elections later this year!

If this newsletter has been forwarded to you by a friend, sign up [here](#) to receive your own copy of my FREE legislative newsletter.

Governor Brownback's January 2012 Recommended [Budget](#)

Governor Brownback's [Tax Reform Plan](#)

Governor Brownback's [Medicaid Reform Plan](#)

KPERS Study Commission [Final Report](#)

Governor Brownback's [School Finance Reform Proposal](#)

Kansas Legislative Research [Kansas Tax Facts](#)

Kansas Legislative Research [Kansas Fiscal Facts](#)

Kansas 2012 [Redistricting](#)

## Words to Live By



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**Cowboy Logic:** "The things that come to those who wait will be the things left by those who got there first."

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**Quote of the Week:** "Things take longer to happen than you think they will, and then happen faster than you thought they could." – Lawrence H. Summers

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**Sermon in a Sentence:** The real measure of your life is what you'd be worth if you lost all your money.

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